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Japan

Ozawa Wins 'Landslide Victory' in NFP Election

*OW2712113195 Tokyo KYODO in English
1050 GMT 27 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO — Shinshinto (New Frontier Party [NFP]) Secretary General Ichiro Ozawa won a landslide victory Wednesday [27 December] in the leadership race of the largest opposition party, beating his longtime political ally, former Prime Minister Tsutomu Hata.

Ozawa, 53, overwhelmed Hata, the 60-year-old Shinshinto vice president, by 1,120,012 votes to 566,998 in a poll that was open to everybody aged 18 or older on payment of a 1,000 yen fee, Shinshinto officials said.

Ozawa will be formally named as the second party head Thursday at a meeting of Shinshinto members of both houses of the Diet to replace outgoing Shinshinto President Toshiki Kaifu, 64, another former prime minister, who did not seek reelection. Ozawa's term of office as Shinshinto president is two years.

Ballot counting started at 9 A.M. at the party headquarters in Tokyo and ended at around 5 P.M.

Shinshinto received 1,730,000 ballots from throughout Japan, the officials said.

Nosaka: Clinton 'Likely' To Make State Visit

*OW2512050695 Tokyo KYODO in English
0356 GMT 25 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO — U.S. President Bill Clinton is likely to make a three-day state visit to Japan on April 16-18, rescheduling one that was canceled in November, the top government spokesman said Monday [25 December].

"We will officially announce the schedule tomorrow afternoon," Chief Cabinet Secretary Koken Nosaka told a press conference, adding that the Japanese and U.S. Governments are close to agreeing on the schedule.

Besides meeting Emperor Akihito, Clinton will hold talks with Prime Minister Tomiichi Murayama and they will issue a joint statement on the bilateral security system. He also hopes to talk directly to the Japanese public to stress the importance of the security arrangements, Nosaka said.

The joint statement is expected to include mention of the two governments' efforts to reduce U.S. bases in Okinawa, following the rape of a local schoolgirl in September, for which three U.S. servicemen are on trial.

Clinton was scheduled to visit Japan in November to attend the Asia-Pacific Economic Cooperation Forum gathering in Osaka, western Japan, and for a summit meeting with Murayama but postponed the visit because of a federal budget crisis.

The United States previously hoped to reschedule the visit for early January, but Japan has declined the proposal because of the emperor's tight schedule. In February and March, Clinton will be busy with presidential primaries.

There still is a possibility that the April visit could be changed because Clinton plans to attend a Moscow summit meeting on nuclear safety in late April, government sources said.

Nosaka Discusses Government Food Aid to DPRK

Explains Rationale

*OW2512051195 Tokyo KYODO in English
0425 GMT 25 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 25 KYODO — Japan plans to provide food aid to North Korea after consulting with the United Nations and South Korea, a top government spokesman said Monday [25 December].

"We cannot overlook a neighboring country's trouble," Chief Cabinet Secretary Koken Nosaka told a press conference.

He referred to a prediction recently released by a South Korean government think tank that says North Korea will face its worst food crisis ever around June or July next year.

North Korea will see a grain supply shortfall of some 3.5 million tons, and there even is a possibility of people being displaced and fleeing to neighboring countries, according to the report.

A UN report recently said that people in many parts of North Korea are facing starvation.

Floods this year devastated much of the country's farmland, causing a serious food shortage.ortage if there is a request from Pyongyang, a top government spokesman said Wednesday [27 December].

Neither the tripartite ruling coalition or the Foreign Ministry, however, has obtained information that Pyongyang has asked Japan for such aid, Chief

Says 'Prepared' To Send 3d Batch

*OW2712045995 Tokyo KYODO in English
0437 GMT 27 Dec 95*

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO — Japan is prepared to extend a third batch of rice aid to

North Korea to alleviate a food sh Cabinet Secretary Koken Nosaka told a press conference.

"Now they have completed rice harvesting and are not having a crisis, but we are worried it will become a serious situation around next June," he said.

Japan sent 300,000 tons of rice in the first batch of aid and agreed to deliver another 200,000 tons in the second batch.

North Korea has failed to respond to Japan's request to document how the rice was handed out among the people, but Tokyo does not intend to stop sending the second batch, Nosaka said.

Meanwhile, the North Korean freighter Ta Mak Gol entered Akita port on the sea of Japan coast in northern Japan on Wednesday [27 December] to collect part of the second batch of rice.

The vessel, which has already taken on board 6,280 tons of Chinese rice in Yokohama, is to load 1,726 tons of Californian rice stored in Akita and Miyagi prefectures.

Bad weather and snow delayed the freighter's arrival in Akita by two days. It will leave for North Korea after four days in port.

Takemura: G-7 Officials 'Likely' To Meet

OW2712084095 Tokyo KYODO in English
0804 GMT 27 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO — Finance Minister Masayoshi Takemura said Wednesday [27 December] senior financial officials of the Group of Seven (G-7) industrialized countries are expected to hold a meeting in January as reported.

A press report earlier said top financial officials from the G-7 nations will gather in Paris on Jan. 20.

Takemura told a press conference that the G-7 countries have almost agreed on such a meeting.

"Japan will report measures taken by it for the bad-loan problem at financial institutions at the upcoming G-7 meeting," he said.

Japan will also ask other G-7 members to continue efforts for an "orderly reversal" of the yen-dollar exchange level, he said.

In a joint statement issued after a meeting in Washington last April, the G-7 called for an orderly reversal of currency market trends, expressing concern over the dollar's fall against the yen and the German mark.

Takemura Vows More 'Flexible,' 'Open' Ministry

OW2712090095 Tokyo KYODO in English
0852 GMT 27 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 27 KYODO — Finance Minister Masayoshi Takemura said Wednesday [27 December] one of his ministry's main tasks in 1996 would be to become more "flexible" and "open" in dealing with the sort of issues seen 1995.

Looking back on measures taken by the ministry in 1995 at a year-end press conference, Takemura said 1995 was a very busy year for the ministry since it had to deal with various unexpected incidents.

He was commenting on such cases as the failures of many financial institutions and the revelation of a loss cover-up at Daiwa Bank's New York branch.

The ministry has come under fire both at home and abroad for lack of transparency in dealing with those issues.

Takemura said, "The ministry should be more flexible in considering measures against such issues, and report the outline of the measures to the finance minister at an early date."

The ministry should also promote disclosure of the information it has, as seen in its announcement in November that Japan is in a critical fiscal situation with a wide gap between revenue and expenditure, Takemura said.

As one measure to make the ministry's banking policy more transparent, Takemura reiterated the need to introduce an early warning system which will allow the ministry to issue business information orders to financial institutions, based on capital-to- assets ratios and other objective criteria.

In a reference to the result of a presidential race in the main opposition party, Shinshinto (New Frontier Party), Takemura renewed his criticism of the tax and fiscal policy envisaged by Ichiro Ozawa, secretary general of Shinshinto, who is certain to win the election.

Takemura said Ozawa's policy is irresponsible since it calls for continuing income tax cuts and larger public works spending for another 10 years and offsetting those costs by raising the consumption tax to 10 percent in 10 years.

U.S. Relations Make Loans to Iran 'Impossible'

OW2712061095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Dec 95 Morning Edition p 1

[FBIS Translated Text] The government has decided to freeze a yen-loan package to Iran for another year, until the end of 1996. The decision came in response to strong reactions in Europe and the United States against Iranian President Rafsanjani's recent comment that "the assassination of Israeli Prime Minister Rabin is a retaliation by God." In addition, following the U.S. Senate's adoption of a bill on sanctions against Iran, the Japanese Government judged that "in terms of Japan's relations with the United States," it is "impossible" to resume yen loans before the U.S. presidential election in November 1996.

Since the government has frozen its yen loan package to Iran since summer 1994, the suspension period will total about two and a half years. The suspended loan is the second yen loan (approximately Y48.5 billion) and was supposed to be applied to dam construction. Because the Iranian government has repeatedly asked Japan to resume loans as early as possible, it seems most likely that the government's decision to extend the suspension will cause a strong reaction by the Iranian Government. It also seems likely that Japan's decision will have an impact on Japan-Iran relations and Japan's Middle East policy.

The government decided to extend the suspension for one year in response to European and U.S. moves to take a firm stance against Iran as well as their growing suspicions of Iranian involvement in terrorism.

In the United States, not only did the Clinton administration hammer out measures in May to ban exports to Iran by U.S. companies, but the Senate also adopted a bill in December to impose sanctions against non-American companies having certain dealings with Iran. Because a call for more sanctions against Iran is prevailing in the United States in the face of the presidential election, the Japanese Government has decided that "if Japan resumes yen loans in such a situation, Japan-U.S. relations will unnecessarily become tense" (according to a senior Foreign Ministry official).

Tokyo, U.S. Agree To Review Base Problem

OW2212085395 Tokyo KYODO in English
0755 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Japan and the United States agreed Friday [22 December] to begin searching for specific solutions to noise and other problems related to the U.S. military presence in Okinawa Prefecture, a Foreign Ministry official said.

The two parties reached the accord at the first meeting of a working group under a special bilateral committee on U.S. bases in the prefecture, some 1,600 kilometers southwest of Tokyo, the official told reporters.

The two sides also reaffirmed the importance of realignment, consolidation and scaling-down of U.S. military facilities on the island, the official said.

Following the accord, Japanese and U.S. officials started to debate on a proposed treaty to ease noise problems in Okinawa, the official said.

The alleged rape of a 12-year-old girl in Okinawa by three American servicemen in September sparked a furor over the heavy U.S. military presence in the prefecture.

Okinawa accounts for just 0.6 percent of Japan's land area but hosts about 75 percent of U.S. military installations in Japan. Some 30,000 U.S. troops out of 47,000 in Japan are stationed there with the bases taking up about 20 percent of the island.

Governor Ota Urges Fair Ruling on U.S. Bases

OW2212135495 Tokyo KYODO in English
1331 GMT 22 Dec 95

[FBIS Transcribed Text] Naha, Japan, Dec. 22 KYODO — Okinawa Gov. Masahide Ota on Friday [22 December] called for a ruling that "can bear the judgment of history" at the outset of a landmark court battle pitting him against Prime Minister Tomiichi Murayama over the governor's refusal to sign documents needed for the continued forced leasing of land to the U.S. military.

Ota, who appeared at the first hearing of the trial at the Naha branch of the Fukuoka High Court, said he is sorry that his decision, reached after careful consideration, failed to gain the support of the central government.

"I would like to ask the court to hand down a ruling that can bear the judgment of history on the basis of the independence of judicial power," Ota said at the hearing.

At a press conference following the hearing, Ota said, "it is a very important trial that can determine the future of Okinawa."

In their statement at the first hearing, central government litigation officials demanded a court order requiring Ota to sign the documents on the grounds Ota's refusal runs counter to the public interest by making it difficult for the government to provide land to the U.S. military under the Japan-U.S. security treaty.

A group of lawyers for the prefectural government defended Ota's refusal as a step to protect the interests of the Okinawa people, long exposed to the risk of criminal acts by U.S. servicemen and base-related troubles, claiming that the forced rental of land owned by Okinawa residents is unconstitutional because it infringes on landowners' property rights.

The legal wrangling came on the heels of a petition filed by Murayama earlier this month seeking a court order forcing Ota to sign the documents in question after Murayama received a letter from the governor rejecting the instruction to sign the documents.

Ota is the first governor to be sued by a prime minister for refusing to execute a task ordered by the central government under the Local Autonomy Law.

Ota rejected to sign the documents for the lease of a total of 35,000 square meters of land owned by 35 Okinawa residents.

Ota's refusal is widely backed by residents of Okinawa Prefecture, who have increasingly called for a reduction in U.S. bases there following the rape of a local schoolgirl Sept. 4, for which three U.S. servicemen are on trial.

The acreage of U.S. bases in Okinawa, about 1,600 kilometers southwest of Tokyo, accounts for 75 percent of all U.S. military facilities in Japan, while Okinawa makes up only 0.6 percent of Japan's total land area.

The central government wants to obtain a court order on the case by late March when contracts for use of some of the land by the U.S. military bases expire.

The prefectural government hopes to use the trial as a chance to appeal for nationwide understanding of the situation in Okinawa. One prefectural government official said more than 20 hearings will be needed and the trial should go beyond late March.

But the local autonomy law stipulates speedy court procedures, requiring the first hearing of cases falling under the law to be held within 15 days after the case is taken to court, and for all evidence and arguments to be provided at the first hearing.

At Friday's hearing, Ota himself and some landowners who have refused to lease their land to the U.S. military were present.

The second hearing is set for Feb. 9. The central government had demanded two hearings in January alone, but the court paid heed to a request by the prefectural government that the next hearing be held in February so that it has more time to prepare its case.

Central government officials said they expect a court ruling in mid-March as the court is proposing that the third and following hearings be held intensively in late February.

Murayama said the central government will go ahead with the procedures necessary to fulfill its duties under the bilateral security treaty with the United States.

"As the nation that signed the security treaty with the U.S., the supply of bases is our duty," Murayama told reporters in Tokyo, adding, "we must carry out that duty."

Chief Cabinet Secretary Koken Nosaka told a press conference, "I think the governor's refusal to sign the documents was unavoidable, but the prime minister judged that his signing as the governor's proxy is also inevitable in order to maintain international trust."

But Nosaka added, "it is our responsibility to streamline and scale down the bases, and I think that will pacify the feelings of people in Okinawa prefecture."

Article Stresses Role of Alliance With U.S.

OW2212132495 Tokyo SANKEI SHIMBUN in Japanese 18 Dec 95 Morning Edition p 2

["Deep-Sea Fish" column article by Keiichiro Nakashizuka, deptuy chief of the political department: "Reliability of Japan-U.S. Alliance — If Japan Neglects To Make Efforts, Relations With the United States Would Die Out"]

[FBIS Translated Text] "No nation can expect its independence and peace if it has no will to defend its own safety by itself, because it depends only on luck, not on its own efforts, for maintaining security" (from Machiavelli's "The Prince").

The teaching of a Renaissance scholar on political ideas appears to be a warning that Japan's peace and security are in danger.

The new "National Defense Program Outline" and the new "Mid-Term Defense Buildup Plan" were adopted on 28 November and 14 December, respectively. The "National Defense Program Outline" provides defense buildup guidelines for 10 or more years, beginning in FY96, while the Mid-Term Defense Buildup Plan specifies equipment to be procured by the Self-Defense Forces over five years, beginning in FY96. Both the "National Defense Program Outline" and the "Mid-Term Defense Buildup Plan" stress the "need to maintain the Japan-U.S. security arrangements and enhance the reliability of the bilateral security system."

Although the previous national defense program adopted in 1976 noted that "Japan should prevent (foreign invasion) on its own," the phrase has been deleted in the new policy. Instead, the new program states that "Japan should prevent (foreign invasion) under appropriate cooperation with the United States and by fully and systematically using its defensive power," indicating Japan's intention to depend more heavily than before on the United States' deterrent force.

The new defense policy rejects the idea of Japan increasing its military strength to defend itself in Northeast Asia, a region where there are countries, such as China and Russia, that possess nuclear weapons, and North Korea (the DPRK), which is suspected of developing nuclear arms. The idea is being dumped because: 1) It requires a lot of money; 2) it will be difficult for the government to gain public approval; and 3) Japan's military buildup may cause a tense situation in the region.

Now that Japan has chosen the course of not increasing its military power, its fate will be determined by its efforts to enhance the reliability of the Japan-U.S. alliance. However, U.S. President Bill Clinton canceled his trip to Japan which was slated for November, and the Japan-U.S. summit, which was scheduled to be held during the president's Japan visit, was postponed. Ichiro Ozawa, secretary general of the opposition New Frontier Party, said: "It is impossible for a U.S. president to cancel his trip (to a foreign country for official talks) after promising to hold a summit meeting at an international conference." This "unusual incident" reveals that the relations of trust between the leaders of the two nations are worsening. The question is what Japan has done to mend the ties.

In rescheduling Clinton's visit to Japan, Washington sounded out Tokyo on a visit in early January. However, the Japanese Government did not agree to the dates because the imperial family was committed to a series of New Year engagements in early January and because of the government's concern that the summit meeting would not be held in a friendly atmosphere unless the issue of reducing the U.S. military presence in Okinawa was settled by then.

Meanwhile, Clinton could not schedule to be away from home after early January because of the presidential election campaign. The two sides have now discussed postponing the trip until April. A top government official said: "We do not care what month the president visits Japan. A decision will be made soon."

In the meantime, on 27 November, Chief Cabinet Secretary Koken Nosaka told reporters that Japan would reconfirm the policy of not expanding the scope of the Japan-U.S. security treaty at the summit meeting between Clinton and Prime Minister Tomiichi Murayama. He made the remark in response to a question concerning the demand Okinawa Governor Masahide Ota made during the talks with Prime Minister Murayama that the scope of the security pact not be expanded beyond the "Far East."

Okinawa points out that the fact that the U.S. forces in Japan [USFJ] have stretched out their operations to the Middle East means that the scope of the Japan-U.S. security pact has been widened and claims that it will not allow U.S. forces to remain in the prefecture forever. Nosaka appears to have taken this assertion into consideration when he made the above remark. However, he also should have considered a negative aspect of such a remark, which restricts the U.S. forces' forward deployment plan. The alliance between Japan and the United States continues to be harmed, instead of being mended.

Tsuyoshi Sasaki, a professor of politics at Tokyo University, recently returned home after a two-month study, which began in October, of U.S. politics. He said: "Both Japan and the United States have become inward-looking. In particular, Americans have completely lost their interest in Japan. They have lost the energy to press Japan to achieve something. Rather than saying that U.S.- Japanese relations are in danger, I should note the bilateral relationship has become so weak that it may 'die out.'"

Sasaki expressed his concern over the future of Japan-U.S. security arrangements, saying: "One day, the United States may suddenly make an arbitrary decision to withdraw its troops from Japan."

What he suggests is that, as the party that benefits from the bilateral security system, Japan needs to make desperate efforts to maintain the Japan-U.S. security system and that if it neglects such efforts, the nightmare of the USFJ withdrawing from Japan may become real at any time. Will this nation realize the importance of the alliance with the United States and lament its bad luck only when the USFJ withdraws?

Workers To Strike Over Closing of Milk Plant

OW2212124895 Naha RYUKYU SHIMPO in Japanese 22 Dec 95 Morning Edition p 2

[FBIS Translated Text] Milk plant workers, who belong to Zenchuro's [All-Japan Garrison Forces Labor Union] Okinawa Chapter (chaired by Seigen Yamauchi), plan to go on a 48-hour strike against the U.S. Air Force's decision to terminate by next March a service contract for the operation of a milk plant in Makiminata Service Area (Camp Kinser). The strike will start on 22 December. They will demand that the operation of the plant be continued, and that all 55 Japanese employees be given MLC status. This is Zenchuro's first large-scale strike in seven years.

The decision on the strike was made at a rally at Churo Center in Ginowan City on the evening of 21 December. About 200 labor union members participated. At the rally, they denounced the U.S. forces' arbitrary notification concerning the closedown of the plant, which does not entail the reduction of U.S. military bases. Also, citing the fact that Japanese workers at a milk plant in Kanagawa Prefecture are given MLC status, they accused the central government of allowing unfair employment.

Chairman Yamauchi said: "It is not permissible to dismiss workers like old rags. We have no alternative but to go on strike to make this problem a political issue and urge the Japanese and U.S. Governments to work to settle it." He then disclosed a plan to intensify lobbying activities toward concerned Japanese and U.S. Government offices.

Ties With PRC May Deteriorate Over Tests

OW2212134095 Tokyo ASAHI SHIMBUN in Japanese 21 Dec 95 Morning Edition p 2

[FBIS Translated Text] After holding a series of meetings with Chinese government VIP's, including President Jiang Zemin, Foreign Minister Yohei Kono came home on the afternoon of 20 December. The trip was fruitful in terms of improving, even a little, the troubled Japan-China relations on the eve of 1996; the year when disturbances are expected over China, including Taiwan's presidential election and China's continuation of nuclear tests. However, there was no change in the Chinese Government's stance regarding the nuclear test issue or other matters. To Foreign Minister Kono, it became a trip in which he actually felt once again the difficulty of steering diplomatic affairs with China. In August, the Japanese Government took a measure to freeze its grant for China to protest China's nuclear testing.

After that, China expressed its opposition to Japan's decision and relations between the two countries began to deteriorate. A senior official of the Ministry of Foreign Affairs [MOFA] analyzed the situation and said: "It seems that China, rather than worrying about damages caused by the decision, thinks the freeze is a sanction that will hurt its pride."

Taiwan plans to hold its first direct presidential election in March next year. Under the banner of creating a "democratic nation" after the election, Taiwan is showing its intention to develop close relations with Japan, the United States, and other countries. It is expected that Japan-China and U.S.-China relations may deteriorate if Taiwan develops close ties with Japan and the United States.

Moreover, some people think that "France will announce a suspension of its nuclear testing by ending the scheduled nuclear tests early next year," (according to a senior MOFA official). Therefore, it is highly possible that China may become the only country which continues to conduct nuclear testing.

At his recent meeting with Kono, Premier Li Peng touched on the nuclear test issue and said: "Either way, it is a matter that will end in one year." Japan positively assessed this remark, saying that "this is an indication of China's positive feeling," (according to Foreign Minister Kono). On the other hand, however, we can say at the same time that the remark indicates China's strong intention to continue nuclear testing for one year. It seems that a deterioration of Japan-China relations is unavoidable because public opinion against nuclear tests is expected to pick up momentum in Japan.

DA Decides on SDF's Golan Heights Contingent

OW2212075395 Tokyo KYODO in English 0620 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — The Defense Agency decided Friday [22 December] on the composition of a 43- member Self-Defense Forces (SDF) transport contingent that is to support a UN peacekeeping force in the Israeli-held Golan Heights.

The Ground Self-Defense Force (GSDF) will dispatch 35 soldiers, including seven from its 9th Division in Aomori Prefecture, northern Japan, and 13 from the 6th Division based in Yamagata Prefecture, also northern Japan.

The Air Self-Defense Force (ASDF) and the Maritime Self-Defense Force, meanwhile, will supply four soldiers each, agency officials said.

The transport contingent, under the command of a GSDF major, will be dispatched to the Syria-based UN Disengagement Observer Force (UNDOF) in two batches Jan. 31 and Feb. 7 following a series of preparatory exercises, such as truck driving starting Jan. 25.

Some 29 soldiers will be engaging in actual transport activities, while the remaining 14 will do support work such as cooking and taking care of accounts and the troops' general welfare.

Thirty-two SDF personnel will be stationed at Ziouani in the Golan Heights and 11 at Faouar, which is under Syrian jurisdiction and where the UNDOF headquarters are located.

Under the peacekeeping plan, Japan will also send 60 ASDF troops to crew two C-130 transport planes that will carry supplies for the Japanese mission during its tour of duty, which is scheduled to last for two years from next February.

The Japanese contingent will replace departing Canadian peacekeepers.

Envoy Briefs Kono on Australia-Indonesia Pact

OW2112083795 Tokyo KYODO in English 0737 GMT 21 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 21 KYODO — A special envoy of Australian Prime Minister Paul Keating briefed Japan on a fresh security agreement between Australia and Indonesia, a Foreign Ministry official said Thursday [21 December].

In a meeting with Foreign Minister Yohei Kono, Gen. Peter Gration, a former commander in the Australian military, said the pact represented a "leap" for the two neighbors whose past relations have sometimes been rocky, the official told reporters.

Gration, who was the chief Australian negotiator for the security accord signed in Jakarta on Monday, also said Australia and Indonesia have thus begun to develop a "strategic relationship," according to the official.

While welcoming the strengthening of relations between Australia and Indonesia, Kono said Japan and Australia should also pitch in to ensure peace and stability in East Asia, the official said.

The Australian emissary was in Japan as part of a whirlwind trip to nations friendly to Australia to explain the nature of the accord. He also met Defense Agency Chief Seishiro Eto earlier in the day.

The pact, the result of 18 months of secret negotiations, says the governments of Australia and Indonesia desire "to strengthen the existing friendship between them" and recognize "their common interest in the peace and stability of the region."

Ministry on Cultural Aid to Philippines

OW2212142695 Tokyo KYODO in English 1347 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Japan will provide up to 46.40 million yen in cultural grant aid to the Philippines, the Foreign Ministry said Friday [22 December].

Notes on the aid were exchanged between officials of the two countries in Manila the same day, the ministry said.

The aid will be used to purchase audio and audiovisual equipment for the University of Northern Philippines, a national university in the north of the main island of Luzon, it said.

Kono on Democracy, Free Economy in Burkina Faso

OW2212140595 Tokyo KYODO in English 1333 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Foreign Minister Yohei Kono on Friday [22 December] welcomed Burkina Faso's steady efforts to democratize its political system and create a freer economy.

Kono made the comments when he met Blaise Compaore, the president of Burkina Faso in Western Africa, the Foreign Ministry said in a press release.

The foreign minister told Compaore of Japan's desire for a closer relationship with Burkina Faso chiefly through diplomatic contacts, the ministry said.

After the meeting, Kono and Burkina Faso Foreign Minister Ablasse Ouedraogo exchanged notes on Japanese grant aid to the country totaling 6.75 million yen.

Compaore arrived in Japan on Wednesday for a five-day stay. He conferred with Prime Minister Tomiichi Murayama on Thursday and had an audience with Emperor Akihito earlier Friday.

Murayama Demands Disclosure of 'Monju' Accident

OW2512080295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Dec 95 Evening Edition p 2

[FBIS Translated Text] Donen [Governmental Power Reactor and Nuclear Fuel Development Corp.] has intentionally concealed videotapes of the recent sodium leak from "Monju," the prototype fast-breeder nuclear reactor. Touching on this issue at noon on 21 December, Prime Minister Tomiichi Murayama stated: "It is not good. All information should be open to the public. The project cannot be carried out without the trust of the people in the neighboring areas." In this way, Murayama indicated his view that all information should be thoroughly made public so as to recover the trust of the people in the neighboring areas. The prime minister made these remarks in his answers to questions asked by reporters at the Prime Minister's Official Residence.

At the news conference held on the same morning, Chief Cabinet Secretary Koken Nosaka said: "I do not know what excuse to make, but it is an issue of great importance. I will strongly urge Donen to make the information public; thorough investigations should be made to find out the cause of the accident; and there should be no recurrence of such an accident." With regard to the responsibility of Donen's executives, Nosaka said: "Investigations should also be made as to who should be held responsible."

Former SDPJ Members, Others Launch New Party

OW2212093595 Tokyo KYODO in English
0751 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — House of Representatives member and former economic analyst Banri Kaieda and former Social Democratic Party (SDPJ) Chairman Sadao Yamahana launched a new pro-local community political party Friday [22 December] with three other lower house legislators.

At the meeting to inaugurate the Shimin League, (Citizens' League) Kaieda was chosen to head the new party, which he said aims to form a loose coalition of a wide spectrum of democratic and liberal blocs.

Kaieda said at a press conference that the party will "hold the door wide open."

He said the party will seek alliances with SDP members who are pressing for the early creation of a new party to replace the SDP, and with other key political figures such as New Party Sakigake [Harbinger] Secretary General Yukio Hatoyama and former Hokkaido Gov. Takahiro Yokomichi.

Kaieda had been preparing to join SDP members in creating a new political force, but he said recently "we will get nowhere if we continue to wait for the SDP to form the new party."

Kaieda, a lower house member belonging to a small group of parliamentarians called the new democratic club, has also said he hopes his new party will serve as a central focus for local parties.

'Soka Gakkai Power' Intimidates LDP

952B0225A Tokyo GENDAI in Japanese Sep 95
pp 92-95

[Article by Takao Iwami, MAINICHI SHIMBUN editorial consultant: "The LDP (Liberal Democratic Party) Turns Pale With Fright at the 'Soka Gakkai Power'"]

[FBIS Translated Text]

"Soka Gakkai's Organized Votes Are 8 Million" [Soka Gakkai—a buddhist group and former Komeito's major support base]

Mass media generally guessed right as to the numbers of seats, immediately before the actual voting in the upper house election. However, they failed to predict one important thing. It was the redoubling of seats by Shinshinto [the New Frontier Party].

As to the number of seats to be won by Shinshinto, ASAHI SHIMBUN predicted 28 to 36 seats, MAINICHI SHIMBUN 31 to 36, YOMIURI SHIMBUN 28 to 35, NHK 36 to 43, and Kyodo News Service 31. The number turned out to be 40 seats. This number comes within the prediction range set only by NHK, and the mass media cannot escape the criticism that they blundered in their opinion polls because they could not guess the most interesting aspect in the election outcome.

Concerning the reasons for the failure to guess this aspect, Komeito's and Soka Gakkai's penetrating power was far greater than expected, and so their penetrating power could not easily be represented in the numerical figures of the polls. But I will touch on this point later. Another reason was that the low voting rate (44.5 percent)—one more lower-than-expected case—unexpectedly increased the weight of Soka Gakkai's organized votes further.

Among aftereffects of the Upper House election, the most characteristic phenomenon is a rapid spread of fear as to Soka Gakkai's organized votes which are said to number 6.5 million or 8 million. The competition aimed at next Lower House election has thus been assuming an entirely new aspect.

The following two data are the confirmed results of the recent Upper House election:

New Power Distribution in Lower and Upper Houses

	Lower house	Upper house
LDP	208	110
SDPJ	65	38
Sakigake	21	3
(Ruling Coalition Total)	294	151
Shinshinto	169	68
JCP	15	14

Number of Votes Won by Parties in Upper House Election

	Constituency	Proportional Representation
Shinshinto	11 million	12.5 million
LDP	10.55 million	11.09 million
SDPJ	4.92 million	6.88 million

	Constituency	Proportional Representation
JCP	4.31 million	3.87 million
Sakigake	1.05 million	1.45 million

One will clearly see in the above that despite their defeat in the Upper House election, the three ruling parties—the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger]—are securing a sufficient stable majority in both Lower and Upper Houses in its present status. However, as is evidently shown in the number of votes won, Shinshinto has become the first party in terms of vote-collecting capability, taking the place of the LDP. The possibility has thus been growing that the election map will be recolored to a considerable degree.

Concerning Shinshinto's 12.5 million votes (in proportional representation) in particular, a top LDP leader makes the following remarks, expressing his stern view of the situation: "According to information we have obtained, about two-thirds of them or 8 million votes are Soka Gakkai's organized votes. These votes far exceed the 6.4 million votes won by Komeito at the proportional representation sector in the preceding Upper House election. These votes are solid and their number will probably increase, but will never decrease in the future. When Komeito was disbanded and absorbed into Shinshinto, we viewed that the power of Soka Gakkai's organized votes would certainly dwindle. We simply thought that Soka Gakkai members would not work with zeal if their job of tapping the sources of votes was for the sake of Shinshinto. However, this projection was totally wrong. On the contrary, it seems that their work of tapping new sources of votes has become easier because their organization's pro- Komeito tinge has thinned out, and Soka Gakkai members' vote-collecting activities have gathered momentum. We think this to be a serious development. If we do not work out countermeasures expeditiously, this development will have a grave effect on the future political situation. It may be said that the LDP now finds itself between two fires—Soka Gakkai's organized votes and those people having no specific parties to support. This is a serious matter."

In constituencies as well, Shinshinto put up six former Komeito- related persons as candidates in Tokyo, Kanagawa, Saitama, Aichi, Osaka, and Fukuoka urban areas, and they all were elected as top winners, acquiring large numbers of votes and outrunning their runners-up by wide margins. Like in Osaka, Shinshinto candidates garnered over two times as many votes as their runners-up in some areas.

Shinshinto's Single-Party Government Might Be Born

Let us translate these actual polling records into the projection of votes to be cast under the new Lower House election system. In case of Tokyo, out of 25 small constituencies Mr. Yuichiro Uozumi (Shinshinto) will get more votes than Mr. Sanzo Hosaka (LDP), the second runner, in 24 constituencies except in the new No.2 Constituency (Chuo, Bunkyo, and Taito Wards). Seeing this estimated result, a leading member of the LDP's Tokyo Metropolitan Federation expresses his misgivings as follows: "If we do nothing about the present situation, the LDP in Tokyo will suffer deadly blows in small constituencies. I wish we could build broad cooperative relations with other religious organizations." On the other hand, a Shinshinto Diet member elected from Tokyo Metropolis made the following remark without concealing his astonishment: "Komeito is systematic and efficient in the election. I did not know that it was this much superb until I began working with it."

Moreover, in case of Kanagawa, Akira Matsu (Shinshinto) will get more votes than Kiyoharu Ishiwata (LDP), the second runner, in all 17 new small constituencies. Mr. Kenji Umezawa, chief secretary of the LDP's Kanagawa Prefectural Federation, said at a victory celebration party on 24 July: "I see faces carrying a look of relief at somehow having been able to come in second, but I do not see any delighted faces. Based on the numerical figures we earned this time, we are likely to suffer a complete defeat in the Lower House election." In a complete change, a dark cloud is hanging over the LDP camp all the more because it has been believed that the LDP will hold the advantage over ill-prepared Shinshinto.

As if to further aggravate this atmosphere, Komeito (Representative Tomio Fujii, member of the Tokyo Metropolitan Assembly) issued a statement expressing its total support for Shinshinto on 24 July, the day following the Upper House election. The statement said: "The very way to revive Japan now in a critical condition is for Shinshinto to attain the seizure of power in next general election with the victory this time as a springboard. We will do our best to give support to this end." The statement appears to imply that the seizure of power has come in sight, thanks to the power of Komeito and Soka Gakkai.

Concerning this possibility, ASAHI SHIMBUN and Kyodo News Service has quickly conducted simulations on next Lower House election on the basis of the Upper House election data (25 July morning edition). There was a difference in the way data were used, resulting in some numerical disparity, but their predictions of seats to be won (500 seats in full) are as follows:

	ASAHI	Kyodo News Service
LDP	217	171
Shinshinto	197	251
SDPJ	55	53
Sakigake	10	4
JCP	21	21

The "ASAHI" estimate indicates that the trend toward two big conservative parties will become conspicuous, but that neither of them will reach a majority, thereby allowing the continuation of the coalition government. As to the "Kyodo" estimate, the estimate is based only on the number of votes won in the proportional representation sector, and it indicates that Shinshinto will be so vigorous as to achieve a majority singlehandedly.

Murayama's Inexplicable Move To Continue His Rule

The election situation is entangled with various other factors, and so its movement is fluid until the last moment. Yet, as the estimate by "Kyodo" indicates, the possibility of "Shinshinto's single-party government" has certainly arisen as a result of the Upper Hose election. With this possibility as a momentum, political restructuring is likely to gain new impetus.

Especially, the SDPJ, which is presumed to be degraded into a party holding only 10 percent of the total fixed seats, and Sakigake, which is about to become a mini-party holding less than 10 seats, are pressed for self-renewal even at the risk of their fates. The SDPJ has already decided on a scenario of rallying elements to build a third force through its disbandment and the formation of a new party. On the other hand, however, it is also a core party in the LDP-SDPJ-Sakigake coalition government, and so the party finds it hard to make a movement.

This is why attention is called to how Chairman Tomiichi Murayama (prime Minister) and General Secretary Wataru Kubo will steer the party. As to the election results, Murayama said: "Our party failed to obtain the same number of seats as in the preceding election (22) and ended with a regrettable result (16 seats). However, we were under a stern condition from the outset, and I think we could hold our ground at the lowest point allowable. In the future, I would like to promote the formation of a new party with the general secretary as the central force" (24 July press conference).

It is not clear what "the lowest point allowable" means. From the time before the election campaign, Murayama repeatedly said that the borderline between victory and defeat would be "about the same number of seats won in the preceding election." Therefore, he had no choice but to accept it as a case of defeat when the party won a smaller number of seats.

However, apart from the borderline between victory and defeat, a line of revising downward to "about 15 seats" the number of seats requiring Murayama to be held responsible and resign passed arbitrarily from lips to lips among leading LDP members who, owing to their party circumstances, wanted Murayama to continue his rule. It is strange that a party interferes in another party head's responsibility issue, and the "about 15 seats" position also has no solid ground at all.

However, Murayama may have invoked this position when he uttered the words "the lowest point allowable." His attitude is somewhat inexplicable.

Murayama also said: "I have made up my mind to assume power and meet the people's expectations within the framework of three parties on the ground that (the seats of three ruling parties won in the election total 65, and so) we [the three parties] have won more than half (64) the total seats contested for reelection."

However, the number of seats the three parties have won are far smaller than the number of their seats contested for reelection (75). In addition, in an original sense, the defeat of the SDPJ is one thing and the total number of seats won by the three ruling parties is another. It may be said that the Murayama coalition government has narrowly won confidence; however, the question of whether the SDPJ chairman should resign or continue to rule should naturally undergo a scrutiny, and this question will also link to the issue of how the prime minister should conduct himself.

Circumstances Under Which He Withdrew His Desire To Resign

At the beginning of a meeting held among the heads of the LDP, the SDPJ, and Sakigake in the dead of night on 23 July, the day votes were cast and counted, Murayama is reported to have first expressed his desire to resign and turn over the post of prime minister to the LDP, the leading party. He said: "I would like to resign to follow a regular course of Constitutional government. The responsibility is too heavy for the head of the second party to assume the reigns of government." However, when the about-two-hour meeting among the party heads ended, there was a unanimous agreement that he would "continue his rule" in a complete aboutface. The details of how Murayama finally withdrew his desire to resign are coming to light gradually. Expressing his strong determination, Murayama had often said that "I would in no case like to turn over power to the Ichi-Ichi side (the side of Ichiro Ozawa and Yuichi Ichikawa, that is, the present Shinshinto side)." It is believed that he had a tenacious notion that to this end the ruling three parties' current framework should not be pulled down. However, he seems to have faced the danger of this framework's collapse when the head of Sakigake, Masayoshi Takemura (finance minister), objected to the Murayama proposal that the post of prime minister be handed over from the SDPJ to the LDP. It is surmised that in order to avoid the collapse, he could not but take the measure to continue his rule. It is unclear why Sakigake objected to the proposal, but it might be a small party's surviving wisdom that made him to do so.

Nevertheless, it is hardly conceivable that this difficult situation could be ridden over under a prime minister who once formerly mentioned that "I would like to resign" no matter what circumstances he was under then.

'Full Text' of Midterm Defense Plan Provided

OW2612232295 Tokyo TOKYO SHIMBUN in Japanese 15 Dec 95 Morning Edition p 6

[FBIS Translated Text] The full text of the new Midterm Defense Program is as follows:

I. Guiding Policies

In the defense buildup from FY96 through FY2000, every effort shall be made to ensure that Japan has an appropriate defense capability under the "National Defense Program Outline in and after FY96" (decided by the Security Council of Japan on 28 November 1996), with the following points as the basis for the program.

1. Every effort shall be made to make basic units and main equipment more rational, efficient, and compact, while paying due consideration to a smooth shift to the new force level stipulated in the outline.

2. To ensure that Japan can effectively deal with various situations, every effort shall be made for qualitative improvement of necessary functions and in defense capability.

3. Measures will be taken to secure the appropriate elasticity of the nation's defense capability so as to ensure a smooth response to the development of situations by letting education and training sections manage personnel who need to be trained and manage equipment which takes a long time to procure, and by securing reserve members of the Self-Defense Forces [SDF] whose combat readiness is high.

4. A continuous effort shall be made to enhance the credibility of the Japan-U.S. security arrangements.

5. Various policies shall be pursued to contribute to further stabilizing security environment.

6. In consideration of occasional economic situations and increasingly serious fiscal situations, further efforts shall be made to marginally improve the nation's defense capability while seeking harmony with government policies in other fields.

II. Review of Basic Units, and Other Measures

1. Five divisions of the Ground SDF [GSDF] will be reorganized with due consideration to the modernization of equipment. In implementing the reorganization, two divisions will be reorganized into brigades, and one of them will be a brigade with high air mobility. At the same time, some of the other reorganized divisions and brigades will consist mainly of reserve members who have the ability to quickly respond to contingency situation. In addition, necessary measures will be taken in connection with the use of such reserve personnel.

In line with such a reorganization, the authorized number of the GSDF, including reserve members, will be cut deliberately and by stages to about 172,000, with a regular strength of 167,000 and reserve personnel of 5,000 by the end of the last year of the program.

2. As for the Maritime SDF [MSDF], two escort units of the escort ship units (regional district units) will be abolished. At the same time, a new education unit will be formed within the submarine units, and mine-sweeping units designed to be operated promptly and effectively will be merged into one mine- sweeping flotilla. As for the fixed-wing patrol aircraft units, one air wing [kokutai] will be abolished. One air wing of each of the fixed-wing patrol aircraft units and land-based patrol helicopter units will be turned into the education unit designed to train crew members.

3. As for the Air SDF [ASDF], some groups of the two district armies of the aircraft control and warning units will be turned into warning squadrons [keikai-tai], and one squadron of the interceptor units will be abolished.

4. From the viewpoint of giving special consideration to the integrated and organized operation of all SDF units, improvements in the function of the Joint Staff Council will be sought and necessary measures will be taken.

III. Contents of Major Components

1. Air Defense Capability

1) As for air defense interception capability, test improvements will be made to the existing fighter-interceptors (F-15's) to modernize them and make them effective in the future in keeping up with the trend of technological standards of other nations.

2) As for air defense firepower in important areas, efforts will be continuously made to improve the capability of present surface- to-air guided missiles (Patriot), and equipment for improving surface-to-air guided missiles (Hawk) will be procured.

In addition, equipment for improving short-range surface-to-air guided missiles will be procured, and efforts will also be made to enhance close surface-to-air missiles, anti-aircraft artillery and other equipment.

2. Capability of Defending the Surrounding Waters and Ensuring the Safety of Marine Transportation

1) Vessels including escort ships, submarines, mine-sweepers, missile boats, and other ships will be constructed. In constructing escort ships, replacement and modernization will be sought with due heed to the overall efficiency of the escort ship units.

2). As for aircraft, procurement of anti-submarine helicopters (SH-60J) will be continued. Improvements will be made to existing fixed-wing anti-submarine patrol aircraft (P-3C) for their effective use in the future in keeping up with the trend of technological standards of other nations. The successor to the P-3C aircraft will be studied, and necessary measures will be taken.

3. Capability To Repel Land Invasion

1) With regard to the capability to destroy invading forces in the outer seas and coastal waters, new fighter support aircraft (F- 2) will be procured to replace the existing fighter support aircraft (F-1). At the same time, the procurement of surface-to-ship guided missiles (SSM-1) will be continued.

2). As for firepower, mobile strike power, and anti-tank weapons, artillery, multiple-launch rocket systems, tanks, armored vehicles, and anti-tank weapons, including multi-purpose guided missile systems, will be procured with the emphasis on replacement and modernization of old equipment. Anti-tank helicopters (AH-1S) will be continuously procured to improve airborne firepower.

4. Transport Capability and Mobility

As for transport capability and mobility, transport helicopters (CH-47), transport ships, and other equipment will continue to be procured. After studying the successor to transport aircraft (C-1), necessary measures will be taken.

Study on air refueling, such as the performance and operational concept of air refueling aircraft, will be continued, and necessary steps will be taken.

5. Intelligence, Command and Communications Capabilities

1) As for the capability of warning and surveillance, fixed three-dimensional radar systems and mobile warning and surveillance radar systems will continue to be procured, and conditions will be created for operating early warning and control aircraft. The surveillance of surrounding waters and air space by vessels, aircraft, and other equipment will be stepped up. In addition, necessary measures will be taken to make aircraft control and warning units more effective and rational.

2) As for information, efforts will be made to improve systems capable of conducting the comprehensive collection and analysis of high-grade information, including strategic information. To that end, the existing intelligence organization will be reviewed, a central intelligence organization will be newly created to reinforce information-collecting functions, and effective systems of information units will be sought. Various information-collecting measures will be enhanced, and highly capable experts on information will be secured.

3) With regard to command and control, a new central command system will be created — at the opportunity of transferring the Defense Agency building — to enable the central unit to conduct appropriate command operations from the comprehensive viewpoint. In addition, a number of measures will continue to be promoted to install the International Defense Digital Network (IDDN), enhance command capability, and promote the use of satellite communications.

6. Sustainability and Invulnerability

Efforts will continue to be made to promote various measures, including ammunition stockpiling, to ensure sustainability and reduce vulnerability.

7. Education and Training Schemes

To improve the education and training environment to make these operations more efficient and rational, education and training units will possess the same equipment as that used by combat units. As part of that process, fighter-interceptors (F-15DJ) and new fighter support aircraft (F-2) will be procured.

In addition, intermediate-level jet trainers (T-4) and other aircraft, a training support ship and other education and training equipment will be procured. The education and training environment, including training facilities, will be improved.

8. Rescue Schemes

Rescue flying boats (US-1A), rescue helicopters (UH-60J), rescue and search aircraft (U-125A), and other equipment will continue to be procured to enhance the rescue system and make it more effective.

9. Personnel Administration and Hygiene

To provide SDF personnel with high morale, ability, and a wide field of vision, living and working conditions will be improved; and various personnel and hygiene policies, including exchanges with other ministries and agencies as well as nongovernmental circles will continue to be implemented.

In line with these policies, while heeding special area and assignment considerations, as well as the transfer to a new SDF system, barracks and residences for SDF personnel will continue to be renovated and constructed in an effort to improve the living and working environment for all personnel. In addition, welfare and other facilities will also be built and improved.

10. Facilities

1) The rebuilding of old buildings is to be promoted. While considering the transfer to a new SDF system, efforts will be made to ensure that the necessary facilities are available for the acquisition of equipment and formation of units. Conditions of facilities, including those for ammunition and training, will be improved.

2) Measures for the areas surrounding bases will continue to be implemented to further promote harmony with the surrounding areas.

11. Technological Research and Development

Research and development on various guided missiles, including new medium-range surface-to-air guided missiles, rescue flying boats (reconfigured US-1A), and other equipment and materials will be promoted while giving full consideration to a reduction in the life cycle costs of this equipment. In addition, efforts will be made to enhance the technological research and development system. While giving full consideration to the trend of technological progress and other factors, various research projects, including technological validation research, will be conducted to establish advanced technology.

12. Policies To Enhance the Credibility of Japan-U.S. Security Arrangements

1) Information exchanges, policy consultations, and other exchanges will be further promoted.

2) The effective, cooperative system of operating the bilateral security arrangements will be established through reinforcement of cooperative research, joint exercises and training, and the mutual cooperation needed for those programs.

3) Various mutual exchanges will be promoted in the field of equipment and technology, including Japan-U.S. joint research.

4) Efforts will continue to be made to support the U.S. Forces in Japan [USFJ]. Measures will continue to be promoted to make the stationing of the USFJ smooth and effective, as well as to realign, consolidate and reduce U.S. military facilities and sites in Okinawa.

13. Disaster Relief Measures

To deal with large disasters or various events that require the protection of properties, various measures designed to implement appropriate disaster relief actions will be taken.

14. Contributions To Establishing a More Stable Security Environment

1) Various measures will be taken to ensure the timely and appropriate cooperation on international peace.

2) Continuous efforts will be made to promote security dialogue and exchange so as to build up the relationship of trust with our nation's neighbors and countries concerned.

3) Cooperation will be made to various activities in areas of armament control and arms reduction carried out by the United Nations and international organs.

15. Others

1) As for ballistic missile defense, a conclusion will be drawn after a full study from a comprehensive viewpoint is made on its usefulness and effect on expenses and other matters.

2) In an effort to limit procurement costs, efforts will be made to improve systems for efficient procurement and supply, while improving information-gathering systems.

IV. Scale of Procurement

A specific scale of procurement for major equipment described in the above section is shown in the attached table.

V. Expense Requirements

1. The ceiling of the total amount of the defense-related expenditures required for the implementation of the Program is estimated at or around approximately Y25.15 trillion at Fiscal 1997 prices.

2. During the formulation of the budget for each fiscal year, efforts shall be made for further efficiency and rationalization, and utmost efforts will be made to hold down expenses, while the budget will be determined within the scope of the required expenses, taking into account, for instance, the economic conditions at the time and fiscal situations which are increasingly becoming serious, and seeking harmony with government policies in other fields.

If the government particularly recognizes the necessity of limiting funds to deal with unforeseeable events in the future, in order to contribute to creating a stable security environment, necessary expenditures for such activities could be appropriated up to a limit of Y150 billion with the approval of the Security Council of Japan. In so doing, the spirit of seeking a moderate defense build-up as stated in the Defense Program for the Future (approved by the Security Council of Japan and the Cabinet on 24 January 1987) shall continue to be respected.

3. The program is subject to a review as necessary after three years within the total amount of funding set forth in this program, taking into account the international situation, the trend of technological standards, economic and fiscal conditions, and other factors in Japan.

Classification	Kinds of Equipment	Quantity
Ground Self-Defense Force	Tank	132
	Artillery (except chase gun)	45
	New Multiple-Launch Rocket System	45
	Armored Vehicle	168
	Surface-to-Ship Missile	24
	Anti-Tank Helicopter (AH-1S)	4
	Transport Helicopter (CH-47JA)	12
	Equipment and Material for Improvement of Surface-to-Air Guided Missile (Hawk)	2 groups
Maritime Self-Defense Force	Escort Ship	10
	Submarine	5
	Others	18
	Total of Self-Defense Ships to be Constructed (Total Tonnage)	(100,000 tons)
	Anti-Submarine Helicopter	37
Air Self-Defense Force	Fighter Interceptor (F-15DJ)	4
	Fighter Support (F-2)	47
	Transport Helicopter(CH-47J)	6
	Intermediate Level Jet Trainer	59

L on New Integrated Intelligence Department

OW2312113595 Tokyo KYODO in English
1102 GMT 23 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 23 KYODO — Japan will create a new integrated intelligence department in January 1997 through a merger of existing intelligence sectors in the Defense Agency and the Self-Defense Forces, agency officials said Saturday [23 December].

Japan's first postwar integrated intelligence organization will be created through the merger of intelligence departments currently belonging to the agency, and the Ground, Maritime and Air Self- Defense Forces, as well as the Joint Staff Council, the officials said.

The establishment of the new body was approved at last-ditch negotiations between vice ministers of the Finance Ministry and the Defense Agency to resuscitate the agency's demands for the fiscal 1996 defense budget, which starts next April.

One of the existing intelligence departments of the Ground Self-Defense Force's Ground Staff Office is known for having detected the shooting down by the former Soviet Union of a South Korean airliner over Sakhalin in 1983.

The new department will be launched as part of the Joint Staff Council and headquartered at the newly built Defense Agency building in Ichigaya, Tokyo, they said.

The officials said the new organization, to be made up of 1,220 uniformed defense officers and 362 officials, will focus on gathering and analyzing radio wave information obtained through satellites and six telecommunication offices in the country.

DA To Publish Military Analysis of North Asia

OW2412130795 Tokyo KYODO in English 1224 GMT 24 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 24 KYODO — The Defense Agency will publish a report analyzing the military situation in Northeast Asia in the next fiscal year starting April 1, 1996, with a 15 million yen appropriation approved Sunday [24 December], officials said.

The budgetary appropriation for publication of the report was approved during negotiations between Finance Minister Masayoshi Takemura and Defense Agency Chief Seishiro Eto, the officials said.

The report, to be published by the agency's National Institute for Defense Studies, will survey the military situation in the Korean peninsula, China, Taiwan, Russia and other parts of the region.

The institute will issue the report, the first of its kind to be published, in Japanese, English, Chinese, Russian and Korean, the officials said.

A senior agency official said that through the report Japan can contribute to increasing transparency in the defense policies of the countries in the region.

Draft Reform of Public Corporations Outlined

OW2012113495 Tokyo KYODO in English 1043 GMT 20 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 20 KYODO — The government's draft administrative reform plan calls for streamlining and partial privatization of 18 special public corporations within three years, according to a copy obtained Wednesday [20 December] by KYODO NEWS SERVICE.

Prime Minister Tomiichi Murayama's cabinet is expected to approve the plan Monday as the basic policy outline for the government's administrative reform program.

The draft contains nine items for administrative reform, including deregulations, special corporation reforms and promotion of decentralization of executive power.

It sets definite schedules for streamlining or mergers of seven government-backed organizations, including two in fiscal 1996.

The program also calls for privatization by April 1, 1997, of the salt monopoly held by Japan Tobacco Inc.

The document says that the recommendations by the government's council on administrative reforms concerning deregulation, including a proposal to split up Nippon Telegraph and Telephone Corp., should be given "utmost respect."

It also urges better mobilization of the fiscal investments and loans program, more effectiveness in postal businesses and more personnel exchanges among ministries and agencies.

EPA on Use of Public Funds in Bad Loans Cases

OW2112105695 Tokyo KYODO in English 1002 GMT 21 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 21 KYODO — Using taxpayers' money to write off bad loans could create a "moral hazard" under which banking executives would be even less inclined to avoid business risks, the Economic Planning Agency (EPA) said in a report released Thursday [21 December].

The warning came two days after the government decided to spend 685 billion yen of public money on the planned disposal of huge bad loans amassed by financially strained mortgage companies, a decision made amid strong public criticism.

While stressing that the use of public money will help stem the tide of such failures in financial circles, the agency said, "the move could aggravate managerial discipline if used for bailing out executives," the agency said.

In the report, the EPA reviewed the 1995 domestic economic scene characterized by the lingering effects of the collapse of the asset- inflated bubble economy, the yen's steep appreciation and the depressed job market.

The agency argued that the disposal of bad loans will help improve the lending capacity of financial institutions but will damage the economy by prompting financiers to raise lending rates to finance the write-off.

But the economic damage will be fairly small. A 0.5 percentage point hike in lending rates will shave only 0.14 percentage point off real annual growth in gross domestic product (GDP) if financiers are to write off all bad loans in three years, the agency estimated.

On the yen's rapid advance that started in March, the agency said market participants jumped on a yen-buying bandwagon, expecting the currency to zoom higher.

Japan's economy is currently trying to secure a mild recovery, the agency said. But the EPA warned against ruling out the possibility of deflationary conditions resuming due to the rekindling of the yen's upswing and other factors.

Editorial Views Public Funds Use in Bailout

OW2112084195 Tokyo YOMIURI SHIMBUN in Japanese 20 Dec 95 Morning Edition p 3

[Editorial: "Clarify Who Should Be Held Responsible for the Failure of the Housing Loan Companies"]

[FBIS Translated Text] The solution to the problem of bad loans saddling housing loan companies (popularly called jusen) has finally been determined after much ruckus.

Of the 13 trillion yen worth of debts saddling the jusen, recoverable debts and other debts worth 6.7 trillion yen will be turned over to a "jusen disposal organization," which will start collecting the debts. As for the remaining 6.3 trillion yen worth of irrecoverable debts, the financial institutions that founded the jusen will completely give up 3.5 trillion yen worth of their claims to the jusen, and other creditor banks will give up 1.7 trillion yen worth of their claims.

As for the remaining 1.1 trillion yen worth of irrecoverable debts, agricultural-affiliated financial institutions will shoulder 530 billion yen, and 680 billion yen from the general account budget will be used to cover the remaining losses and future losses the jusen is expected to incur. The jusen bailout scheme is based on a "revised guideline stipulating the responsibilities of parent banks." However, it reduces the burden on the agricultural- affiliated financial institutions by pumping in public money. The scheme thus appears to help out the agricultural-affiliated financial institutions.

The jusen are at the root of the bad loan problems that have hampered Japan's economic recovery and undermined confidence in the nation's financial system. The primary task in removing what is blocking the Japanese economy is to take care of the bad loans promptly. "Resolving the issue by the year's end" is an international commitment for Japan. We hope that the scheme will be effective in helping remove concerns about Japan's financial system.

However, the scheme can hardly be considered rational and transparent. Dietmen with vested interests in agricultural affairs and other political groups that fear losing votes in the next election have distorted the basic principles of the bailout scheme, complicating matters.

Above all, the plan to use public money to help solve the problem emerged very abruptly. We have traditionally asserted that public money should only be used as an emergency measure to protect the people's livelihood in case the financial system should collapse. This is because even Western nations have resorted to pumping in public money as a final move to avert financial crises and rebuild their economies.

However, the legitimate way to justify the use of public money is to squarely address the issue through thorough debate and gain public approval. Using public money is a serious matter: public funds should not be allowed to be sneaked in in a last-ditch effort merely to reduce the burden on agricultural-affiliated financial institutions in the final rounds of negotiations among the parties concerned.

In the United States, former U.S. President George Bush succeeded in persuading the people by appearing on television and explaining the need to pour in huge amounts of public funds to deal with the failed Savings and Loan Association (S&L). Prime Minister Tomiichi Murayama, too, should try to clearly explain to the people in simple terms the purpose and significance of using public money to help solve the jusen issue.

We cannot help but say that by having the "jusen disposal organization" take care of the 1.3 trillion yen worth of hard-to- recover debts which should have been taken care of in the latest disposal scheme, the problem has simply been shelved, with the fiscal burden put off, to be shouldered in the future.

Because we have traditionally placed priority on settling the jusen problem promptly, we have considered tackling the task of pursuing the responsibilities of administrative and financial institutions after the jusen issue has been settled. Since public funds are to be used to settle the issue, it is natural to clarify such responsibilities.

The Ministry of Finance; the Ministry of Agriculture, Forestry, and Fisheries, financial institutions — including agricultural- affiliated financial institutions — and the jusen themselves should report to the Diet on decisions made on financial policies, management, and loans and who was responsible for such decisions from the time the jusen were founded to the time of their failure. In addition, the responsibilities of administrative authorities and management should be clarified, and it should be made a lesson so that mistakes will not be repeated.

It is necessary to set up a powerful, public "jusen disposal organization" that can recover as much of the debt as possible by pursuing the responsibilities of those who borrowed from the jusen. Gangster organizations must not be allowed to sit back and take advantage of the situation.

The jusen issue will be settled on top of great sacrifices. The big price we must pay should be used to help build an efficient, transparent financial system that has self-discipline and to bring the Japanese economy back on its feet.

Panel Urges More Transparent Banking Policy

OW2212132295 Tokyo KYODO in English
1241 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — A government panel Friday [22 December] put forward a set of proposals to make Japan's banking policy more transparent and help restore global confidence in the nation's financial system.

In a final report on measures to stabilize the Japanese financial system, the panel proposed infusing into the severely battered Japanese financial system elements of a transparent administrative method, more disclosure of financial information and greater self- responsibility at depositors.

The report, prepared by the subcommittee of the financial system research council, an advisory body to the finance minister, was unveiled amid growing concern both at home and abroad over the Japanese banking system, which has been shaken by a series of failures of credit unions and the cover-up of losses at Daiwa Bank.

Meeting the press after submitting the report to Finance Minister Masayoshi Takemura, Panel Chairman Ryuichiro Tachi said, "it is necessary for Japan to establish a new financial system based on self-responsibility, the market mechanism and disclosure to restore global trust and keep an influential voice in the international community."

The report calls for creating a special fund at Deposit Insurance Corp. to cope with possible failures of financial institutions over the next five years. But the scope of financial institutions whose disposal are covered by taxpayers' money should be limited to credit unions only, it says.

The report endorses plans to turn Tokyo Kyodou Bank, a special bank created to take over operations of two collapsed credit unions in Tokyo, into the Japanese version of Resolution Trust Corp. of the United States, which was sued to mop up after the savings and loan debacle there.

In the report, the panel states the government's recent decision to use general account funds to help cover losses from the planned liquidation of private mortgage companies was unavoidable.

"The step is necessary in view of protecting the soundness of the overall financial system from possible shock waves from the collapse of housing loan companies," Tachi said.

The Finance Ministry's banking policy has come under international criticism for lack of transparency, as shown in its response to the Daiwa Bank scandal. The ministry notified U.S. regulators of the incident six weeks after obtaining information on the cover-up case.

As measures to secure the healthy management of financial institutions, the report calls on regional banks to make full disclosure of problem loans as early as possible.

Three types of cooperative financial institutions — shinkin banks, labor credit associations and credit unions — should in principle take a similar step by the year to March 1998.

From the first half of the current business year to March 1996, the nation's 21 major banks started disclosing the balance of restructured loans in addition to the amount of loans to bankrupt borrowers and those on which interest payments have beef suspended for six months or longer.

Restructured loans are those loans on which interest rates were cut to help reduce the burdens of struggling companies.

The report also calls on the ministry to introduce an early warning system which would enable the ministry to issue management improvement orders to institutions, based on capital-to-assets ratios and other objective criteria.

The report says the envisaged special fund at Deposit Insurance Corp. should be introduced as a temporary five-year disposal scheme for failed financial institutions.

The special fund should have two different accounts — one specifically to deal with credit unions and the other to cope with other institutions, it says.

The report says the Deposit Insurance System's ordinary premium rates should be four times higher than the current level. Including a premium for the special fund, the corporation's overall premium rates should stand at levels seven times higher than the present rate, it says.

The report calls for injecting funds from the government's general account only when losses remain in the account devoted to credit unions despite financial support from the other account.

The report also urges the ministry to shorten the planned five- year period for invoking deposit repayments under the so-called "payoff" system which may require depositors at failed financial institutions to give up a certain amount of their savings.

Under the payoff scheme, which will replace the temporary disposal scheme using the special fund at Deposit Insurance Corp., the corporation will guarantee depositors repayment of up to 10 million yen, with any remaining funds above that amount to be shouldered by depositors.

The report says the scope of failed financial institutions whose operations are taken over by the Japanese RTC should be limited to credit unions alone.

On the bad loan issue at housing loan companies, the centerpiece of concerns over the soundness of Japan's financial system, the report says the housing lenders themselves, their founder banks and those who borrowed from them should take responsibility as a prerequisite for using taxpayers' money.

It also urges agricultural financial institutions, the major creditors of housing loan companies, to implement drastic restructuring efforts and calls on the Finance Ministry to change its banking policy into a more transparent one.

Panel Urges Funds for Failed Credit Unions Only

OW2112150295 Tokyo KYODO in English 1437 GMT 21 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 21 KYODO — A draft report mapped out by a government panel calls for limiting the scope of failed financial institutions whose losses are covered by taxpayers' money to credit unions only, government sources said Thursday [21 December].

The draft by a subcommittee of the financial system reform council, an advisory panel to the Finance Minister, proposes the creation of a special fund at Deposit Insurance Corp. to specifically deal with possible failures of credit unions over the next five years, the sources said.

It calls for injecting funds from the government's general account only when the special fund suffers losses due to huge bailout costs for failed credit unions, they said.

The subcommittee will formally adopt the report Friday as final recommendations on measures to stabilize Japan's financial system, which has been shaken by a series of failures of credit unions and the revelation of a cover-up of losses at Daiwa Bank's New York branch.

In the draft report, the panel states that the government's recent decision to use general account funds for liquidating ailing housing loan firms was unavoidable, the sources said.

As a prerequisite for using the fiscal funds, however, the panel calls for clarifying the responsibility of banks that formed the housing loan firms as well as agricultural financial institutions, their major creditors, and other banks involved, they said.

The seven housing loan companies, saddled with huge problem loans, threaten to destabilize Japan's financial system.

The government Tuesday approved plans to pump a total of 685 billion yen for the liquidation of the housing loan companies.

The draft also endorses plans to turn Tokyo Kyodou bank, a special bank created to take over operations of two collapsed credit unions in Tokyo, into the Japanese version of Resolution Trust Corp. (RTC) of the United States, the sources said.

The scope of failed financial institutions whose operations are taken over by the Japanese RTC also should be limited to other credit unions, they said.

The draft also urges the Finance Ministry to shorten the planned five-year period for establishing the so-called "payoff" system for depositors at failed financial institutions, the sources said.

Under the envisaged scheme, Deposit Insurance Corp. will guarantee depositors at failed institutions repayment of up to 10 million yen, with any remaining funds above that amount to be shouldered by depositors.

Economic Planner Urges Home Loan Inquiry Board

OW2212052395 Tokyo KYODO in English 0441 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Japan's top economic planner Friday [22 December] urged the creation of a new institution that will judge the legal responsibility of the managers of seven housing lenders whose liquidation will be funded substantially with taxpayers' money.

Isamu Miyazaki, director general of the Economic Planning Agency (EPA), told a news conference after a cabinet meeting, "I believe it is necessary to create an institution that can objectively judge the responsibilities of the managers (of the housing loan companies)."

Such an organ should be entrusted with judging whether or not the managers impinged the law, the minister said.

He said he told the cabinet meeting it is the "primary" responsibility of the government to clarify the responsibility of the managers of the housing lenders that have incurred on aggregate more than 7.5 trillion yen in nonperforming loans.

He urged the housing lenders managers to disclose information on their lending activities to enable the authorities to judge the managers' responsibility in each case where they allegedly provided loans that far eclipsed the real value of property collateral backing loans.

The government approved Tuesday a housing lender liquidation scheme under which a huge sum of taxpayers' money is expected to be allocated to liquidate losses from the remaining bad loans to be handed over to a government-backed, debt-collection agency, on top of an initial government outlay of 685 billion yen for the liquidation purpose.

Miyazaki expressed willingness to learn from the mechanism of the U.S. Resolution Trust Corp., which shut down and liquidated more than 700 savings and loan institutions in the United States by pumping more than 9 trillion yen worth of taxpayers' money to dispose of losses from the sell-offs of savings and loans' dud loans.

"The U.S. solved (the savings and loans problem) by spending more than 9 trillion yen, so I would like to study that case, although Japan does not necessarily have to do the same," he said.

MITI Advisory Panel Urges Reinsurance System

OW2212093695 Tokyo KYODO in English
0849 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — The government should establish a reinsurance system for the state-affiliated Small Business Credit Insurance Corp. in order to help spur investment by venture capital companies in start-up businesses, an advisory panel said Friday [22 December].

The advisory panel to the international trade and industry minister discussing the modernization of small businesses made the proposal in an interim report completed the same day.

Under the proposal, the state-run credit insurer will provide reinsurance of debt guarantees underwritten by prefectural foundations the government set up earlier this year to support venture capital firms, government officials said.

The system will boost the creditworthiness of the foundations, thereby invigorating venture capital investment, according to the officials.

In accordance with the report, the Ministry of International Trade and Industry [MITI] will submit a bill making the relevant legal amendments during the next ordinary session of the Diet, the officials said.

Ministry To Suspend Firm's Operations Partially

OW2212125195 Tokyo KYODO in English
1155 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — The Finance Ministry plans to order Chiyoda Securities Co. to suspend some of its operations following the securities and exchange surveillance commission's legal action Friday [22 December] against its executives and customers for compensating losses in stock trading, ministry sources said.

The ministry will take the disciplinary action probably in late January or early February in line with a recommendation to be made by the securities watchdog, the sources said.

The suspended operations of the medium-sized brokerage house, based in Tokyo, are likely to include the stock divisions of the head office and some of its branches, they said.

Shinichi Handa, a director and general manager of the general administration department of Chiyoda Securities, told a news conference at the Tokyo stock exchange the company will study the possibility of having all of its executives, including its President Kaneo Sato, step down to take responsibility for the case.

Noguchi Criticizes Government's Tax Reform Plan

OW2112113695 Tokyo SANKEI SHIMBUN
in Japanese 16 Dec 95 Morning Edition p 9

[Article by Hitotsubashi University Professor Yukio Noguchi]

[FBIS Translated Text] While leaving even the fundamentals of the reform unclear, the ruling coalition recently adopted a tax system reform plan completely contrary to what taxation should be. A typical example is the land tax system, a focal point of the tax system reform.

In terms of the current economic situation, I am sure the fundamental purpose of the tax system reform was to stimulate land transactions by getting rid of the main obstacles to distribution [ryutsu]. To do that, the coalition should have increased landholding taxes and reduced taxes on land transactions. This was the policy of the government's tax commission. What the coalition actually did, however, was to reduce the land tax and municipality property tax, which are landholding taxes.

Reducing the land value tax has no effect but to reduce the burden for major corporations. Lowering the landholding cost may become, on the contrary, an obstacle to promoting land transactions. The process of reaching a decision to set the landholding tax at 0.15 percent is far from the principle of taxation and gave no considerations at all to its possible impact on land transactions.

It is difficult to increase the municipality property tax because it affects ordinary people. To the nation as a whole, however, it would have been better if the coalition had decided to decrease the resident tax, even in exhange for increasing the municipality property tax.

As regards land transactions, on the other hand, the coalition decided to reduce the capital gains tax on land sales to the level seen before the bubble economy. This is the only decision that deserves a positive assessment. The land registration tax and real estate acquisition tax were retained at the current levels. These two taxes have a heavy impact on land transactions. Moreover, the idea of imposing taxes on distribution of goods in general is not well-grounded. Such a tax is not desirable.

Also included in the reform plan are economic measures, including reduction of the securities transactions tax and continuation of income and residential tax cuts. However, the nucleus of the economic measures is the land tax system, which may act as an obstacle to activation of land transactions. Under such conditions, we feel like raising questions about the purpose of the tax system reform.

BOJ: Economy Shows 'Signs of Recovery'

OW2212125695 Tokyo KYODO in English
1031 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Although Japan's economy remains stalled, there are signs of recovery, the Bank of Japan (BOJ) said Friday [22 December] in its monthly review of monetary and economic trends.

The judgment stemmed from the view that housing investment has begun to pick up and public-sector investment is on the rise following the steady implementation of this year's fiscal spending programs, the BOJ said.

Of the housing investment in particular, the bank said that against a background of lower interest rates, housing starts for October grew to 1.51 million units at a seasonally adjusted annual rate after bottoming out in September, when they posted 1.44 million units.

In addition, industrial production seems to be bottoming out, although inventories still remain excessive, the BOJ noted.

Following a sharp fall in the third quarter of this year, industrial output increased in October, especially in electrical machinery and automobiles, the BOJ said.

Furthermore, "production might enter a recovery phase sometime between January and March 1996, with adjustment of inventories projected to come to an end during the same period," a BOJ official said.

In personal consumption, sales of household electrical appliances have stayed strong, especially those of personal computers and cellular phones, the BOJ said.

On the other hand, downward trends in prices and net exports as well as weak labor market conditions have been the major factors behind the stalling of Japan's overall economy, the bank said.

Assets Grow Moderately in Value in '94

OW2212041995 Tokyo KYODO in English
0207 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — The value of Japan's overall assets posted a moderate gain for the second straight year at the end of 1994 after the first-ever decline at the end of 1992 following the burst of the speculative "bubble" economy in the late 1980s, a government macroeconomic estimate said Friday [22 December].

The national economic table for fiscal 1994, the latest reporting year, compiled by the Economic Planning Agency, showed the nation's overall assets at the end of 1994 increased 2.2 percent from a year earlier to 7,157 trillion yen, or 14.94 times more than the nominal gross domestic product (GDP).

The asset-to-GDP figure was bigger than 14.73 for the previous year, when the assets amounted to 7,004 trillion yen. At the end of 1992, the overall assets fell to 6,905 trillion yen for the first time since the start of the compilation of macroeconomic statistics in 1955. In 1992, Japan's assets totaled 14.65 times as much as the GDP.

"Capital losses, mainly in land and stock assets, which had applied the brake on the nation's economic recovery during four years of recession, might have peaked out," said Mitsuo Kisaichi, chief economist at the agency.

Losses from land assets came to 54 trillion yen, which accounted for 9 percent of the GDP as of the end of 1994, following 17 percent at the end of 1993 and a hefty 49 percent at the end of 1992, according to the agency's estimate.

Meanwhile, gains from stocks, another pillar of the nation's assets, expanded to 48 trillion yen at the end of 1994 from 4 trillion yen at the end of 1993, which accounted for 1 percent and 10 percent of the GDP, respectively, after three consecutive years of losses, the agency said.

In fiscal 1994, which ended March 31, 1995, the growth rate of the nation's GDP, an aggregate of goods and services produced in Japan minus net income from overseas, remained below the 1 percent level in nominal terms for the second straight year, inching up 0.4 percent, the lowest-ever growth rate, to 479 trillion yen, following a 0.8 percent increase in fiscal 1993, the estimate said.

Boosted by the strength of the yen against the dollar, the per- capita GDP stood at 37,618 dollars in calendar 1994, up from 34,452 dollars in calendar 1993, the agency said.

The average value of the dollar was 111 yen in 1993 but fell to 102 yen in 1994, according to the estimate.

The second highest per-capita nominal GDP among the OECD nations was recorded in Switzerland with 37,132 dollars, followed by 34,673 dollars in Luxembourg, 28,019 dollars in Denmark, 25,513 dollars in the U.S., 25,202 dollars in Norway and 25,068 dollars in Germany, it said.

Official: Government To Form U.S.-Type RTC

OW2012053195 Tokyo KYODO in English
0132 GMT 20 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 20 KYODO — The Japanese version of the U.S. Resolution Trust Corp. (RTC), to be set up for the disposal of the bankrupt Kizu credit union, will also undertake collection of the problem loans of ailing housing loan companies, a senior Finance Ministry official said Wednesday [20 December].

The official unveiled the idea when briefing reporters on a scheme adopted Tuesday by the government for the liquidation of the virtually bankrupt home mortgage companies.

Tokyo KYODO bank was created in January to take over the operations of two failed credit unions. The Finance Ministry plans to reorganize it into the Japanese version of the RTC, with a strong enforcing power for loan recovery.

A bill to convert Tokyo KYODO bank into the Japanese RTC will be presented to the next ordinary session of the Diet early next year.

Meanwhile, the official said the new vehicle to be set up to take over the housing lenders' loans after their dissolution will have strong powers to collect loans, with its staff including legal practitioners, real estate experts, prosecutors and police.

The new vehicle will be eventually merged with the Japanese version of the RTC, the official said.

In the United States, the RTC was set up by the U.S. Government in 1989 to dispose of real estate and other property that fell into government custody after the collapse of savings and loans companies in the late 1980s.

Tokyo KYODO bank was created by the Bank of Japan and major private banks to rescue two failed credit unions — Tokyo Kyowa credit association and Anzen credit bank.

EPA Chief Predicts 3% Unemployment Rate

OW2612033495 Tokyo KYODO in English
0254 GMT 26 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 26 KYODO — Japan's top economic planner said Tuesday [26 December] the nation's unemployment rate will likely stay at the 3 percent level for some time as the economy struggles to pick up.

Isamu Miyazaki, director general of the Economic Planning Agency, said during a press conference that deterioration in the jobless rate is "often the case at the initial stage of economic recovery."

Japan's seasonally adjusted unemployment rate hit a record high of 3.4 percent in November, the Management and Coordination Agency said earlier the day.

Meanwhile, Miyazaki sounded optimistic about economic indicators for October, due out later in the day.

"There are coming favorable figures, showing brightness in the economy," Miyazaki said.

Population Grows 1.6% Since 1990

OW2212041795 Tokyo KYODO in English
0216 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Japan's population has edged up 1.6 percent since 1990, the slowest growth in the postwar period, according to preliminary results of the latest national census.

The results, released Friday [22 December] by the Management and Coordination Agency, put the nation's population at 125,568,504 as of Oct. 1 when the census was carried out.

The figure represents 2.2 percent of the world's population of some 5.72 billion, leaving Japan ranked eighth on the global population list, down from seventh in the previous census in 1990, agency officials said.

They said a decline in the birthrate was to blame for the slow population growth, which falls short of the average 2.0 percent for industrial nations for the same five-year period and matches that in Britain.

The nation's birthrate has been on the wane since 1973 when it was 19.4 per 1,000. In 1993, the latest year for which birthrate data is available, the birthrate was 9.6 per 1,000.

The female population outnumbered the male population by 63,992,934 to 61,575,570, meaning that there were 96.2 men for every 100 women.

The ratio of men to women was down 0.3 percentage point from the 1990 census. Japan conducts a national census every five years.

The number of households was about 44.07 million, up 7.4 percent.

The average number of household family members fell below three for the first time to stand at 2.85, a suggestion that the number of children per family is falling and that of elderly couples living separately from their children is on the rise.

By prefecture, Saitama saw the highest population growth of 5.5 percent, while Akita, Yamaguchi and Nagasaki posted the slowest growth of 1.1 percent each.

Environment Budget Cut 1.9% in FY96

OW2212040795 Tokyo KYODO in English
0319 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Japan will spend 1.9 percent less in fiscal 1996 than in the current year on programs for the protection of the global environment, the Environment Agency said Friday [22 December].

The agency and other government departments are authorized to set aside a total of 555.1 billion yen in environment-related spending in the new fiscal year starting next April 1 under a draft national budget unveiled Wednesday by the Finance Ministry, agency officials said.

Of the sum, 459.7 billion yen or 83 percent will go to programs associated with reduction in "greenhouse gases" blamed for Earth's warming, including 287.7 billion yen for nuclear power generation.

Other expenditures include 6.5 billion yen for a project to cope with acid rain and 3.7 billion yen for aid in antipollution projects in developing countries.

Transport Ministry Eases Air Fare Regulation

OW2212060795 Tokyo KYODO in English
0542 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — The Transport Ministry announced Friday [22 December] details of a new system for determining domestic air fares that will give airlines more independence in setting their rates.

Under the system, airlines will be able to consider such factors as the time and season of travel in setting their fares as long as they are within a 25 percent range below the benchmark price set by the ministry.

The system is predicted to lead to lower fares on medium- and long-distance routes flown by several companies but could raise fares on routes such as local flights, where competitors are few, industry sources said.

Airline companies could implement the new fares as early as April, providing time to adjust computer reservation systems and for the general public to become familiar with the revised fares, the sources said.

There are currently 58 routes whose fares are higher than the maximum ministry-set price, according to the ministry.

The biggest price difference is with the Osaka-Aomori route. The current fare is 27,950 yen while the maximum benchmark price is 25,561 yen.

Fares are lower than the ministry-set rate on 27 routes.

The largest differential occurs on the Miyako-Ishigaki route in Okinawa Prefecture, where the current fare is 5,360 yen compared with the 8,622 yen benchmark price.

Fares are within the ministry's price range on 109 routes and will not need revision unless deemed necessary by the companies.

Toshiba, Time Warner Agree on Cable Systems

OW2212125495 Tokyo KYODO in English
1206 GMT 22 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 22 KYODO — Toshiba Corp. announced Friday [22 December] it has reached an agreement with Time Warner Cable (TWC) of the United States, whereby TWC will buy high-speed data communications systems for use in high-speed online computer services to its cable customers.

The first order TWC will place with Toshiba is for up to three systems, starting with TWC's San Diego cable operation, Toshiba said, adding each of the systems will be upgraded to Hybrid Fiber and Coaxial Cable (HFC), allowing for broadband communications of up to 750 megahertz.

As the system integrator, Toshiba will supply a complete system to TWC's operations, the company said.

Each system consists of a head-end which includes the switch and the client server computer at the cable station, distribution hubs and modems at cable television subscribers' homes, it said.

Toshiba will begin shipments to TWC in early summer of 1996.

NHK To Start 24-Hour TV Broadcasts in '96

OW2212144695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Dec 95 Morning Edition p 38

[FBIS Translated Text] On 20 December, NHK [Japan Broadcasting Corporation] announced its plan to start 24-hour operations of its general television network on weekends beginning next fiscal year. This around-the-clock service was originally scheduled to start in FY97. NHK's weekday service will be extended from the current 0500 to 0100 by one hour to 0500 to 0200. The final decision on this plan will be made at its management committee session scheduled for next January.

The 24-hour service will be offered on Fridays and Saturdays, and the additional programming will consist primarily of rebroadcasts of various programs.

KYODO Correction to Ministries Arrange Bailout

OW1112125695

Tokyo KYODO in English at 1203 GMT on 11 December supplies the following correction to the item headlined "Ministries Arrange Bailout of Housing Firms," published in the 12 December East Asia DAILY REPORT, page 23:

KYODO adds three additional paragraphs between original paragraphs four, which ends "the ruling coalition," and before five, which begins "The two ministers."

The additional paragraphs are as follows:

Meanwhile, the ministers agreed that the proposed vehicle will auction real estate and other assets it will inherit from the housing lenders, which have been put up as collateral for nonperforming loans, in order to smooth the loan recovery, the officials said.

The use of legal means as a way to recover the loans apparently represents the ministries' stern attitude against borrowers from the housing lenders.

Real estate concerns easily received money from the housing lenders during the speculative bubble economy but borrowers' responsibility in the current plight of the housing lenders was largely unheeded.

North Korea

U.S. Urged To Be 'Reasonable' for Detente

SK2312035795 Pyongyang KCNA in English 0349 GMT 23 Dec 95

["The United States Must Act With Reason" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — U.S. State Secretary Christopher in a press conference held in Washington on December 21 said that the United States is in a posture to cope with any provocations of North Korea, according to a report. On the 20th, U.S. Defense Secretary Perry told reporters that "North Korea continues to be high on our watch list", advertising "military movement of North Korea". Meanwhile, Graham, a Republican senator of the United States, let loose a string of bellicose remarks that the United States supports the use of military strength for a preemptive attack to check the nuclear development of North Korea.

The point is why the United States makes the unreasonable call for "preemptive attack", clamouring about the "threat from North Korea" at the present juncture when the agreement on the provision of light-water reactors was signed between the DPRK and the U.S.-led KEDO [Korean Peninsula Energy Development Organization] and a new advance is envisaged in the implementation of the DPRK-U.S. agreed framework. Lurking behind this is an attempt of the United States to further intensify the hostile military actions on the pretext of the "threat from North Korea".

It is an invariable intention of the United States to attach importance to the Korean peninsula in the execution of its world strategy and make a showdown of strength there. This is one of the reasons why the United States talks about "threat from North Korea" these days.

Another aim sought by the United States is to save its Asia- Pacific strategy from the crisis with the DPRK as a scapegoat.

There is no need to explain that such moves of the United States will further aggravate the military confrontation between the DPRK and the United States and drive the situation in and around the Korean peninsula to a new grave stage.

Peace and stability have been maintained till now on the Korean peninsula and in Northeast Asia because of our peace efforts in spite of the incessant war provocation manoeuvres of the United States and the South Korean puppets.

If the United States sticks to the line of military confrontation, with antagonism toward the DPRK, our hope for confidence-based relations with the United States will be broken. Then, the situation will develop into a confrontation-for- confrontation phase.

The United States must take a reasonable step for detente on the Korean peninsula, clearly mindful of the consequences to be entailed therefrom.

U.S.-ROK 'War Exercise' Denounced

SK2312043495 Pyongyang KCNA in English 0343 GMT 23 Dec 95

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — The U.S. imperialist warmaniacs and the South Korean puppets staged a joint air war exercise aimed at a combined surprise strike at the northern half of Korea under the support of an overseas-based E-3 early warning plane on December 20 and 21, according to military sources.

Involved in the war game staged with the sky above the West Sea of Korea as an operational theatre were scores of carrier-based assault planes of a Marine Corps of the U.S. Pacific Fleet and over 710 fighter planes of the U.S. Seventh Air Force present in South Korea and the South Korean puppet air force.

On the 21st, fifteen transport helicopters of the South Korean puppet army frantically staged a "commandoes" airlifting operation exercise simulating an infiltration into the indepth areas of the North, making flights above forefront areas — Paju and Yonchon Counties of Kyonggi Province and Kosong County of South Korean Kangwon Province — from an indepth area of South Korea.

Earlier, on December 20, scores of heavy tanks of the puppet army fired more than 80 shells, moving toward the Demilitarized Zone from the area of Paju County.

The U.S. imperialists and the South Korean puppets would be well advised to look straight at the grave situation created on the Korean peninsula owing to their war moves and act with discretion.

Cho Myong-nok Warns U.S., ROK 'Puppets'

SK2312084995 Pyongyang KCNA in English 0845 GMT 23 Dec 95

["Vice-Marshal Cho Myong-nok Warns U.S. Imperialists and South Korean Puppets" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — KPA [Korean People's Army] Vice-Marshal Cho Myong-nok, member of the Central Military Commission of the Workers' Party of Korea and director of the General Political Department of the Korean People's Army, appealed to the officers and men of the People's Army and the people to be on red alert with a high degree of revolutionary vigilance under the prevailing situation.

In a report at a national meeting to mark the 4th anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army, Cho Myong-nok castigated the U.S. propaganda about "threat from North Korea" and the South Korean puppets' moves for North-South confrontation and war provocation.

"We can not remain an onlooker to anti-DPRK, anti-reunification manoeuvrings of the U.S. imperialists and the South Korean puppet clique nor allow them to commit any slightest provocation to encroach upon the sovereignty of the DPRK," he said, "Our people treasure peace, but never beg for it."

"The present situation prompts the officers and men of our People's Army and our people to be on maximum alert with high degree of revolutionary vigilance at all times."

"It is our unshakable stand to answer talks with talks and war with war," he stated, declaring that "if the enemy dare unleash a new war in this land, the officers and men of our People's Army and the people will turn out in the fight to annihilate the aggressors and defend the socialist homeland of chuche with credit."

'Humanitarian Step' of ROK Crew Release Viewed

SK2412073795 Pyongyang KCNA in English 0730 GMT 24 Dec 95

["Consistent Compatriotic, Peaceloving Stand" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA) — A competent organ of the Democratic People's Republic of Korea decided to send the crewmen of the South Korean boat "86 Usong", which was seized by the North in May after illegally intruding deep into its territorial waters, back to South Korea on December 26 through Panmunjom.

In this regard NODONG SINMUN today says in a commentary that the decision is not only a humanitarian step for them but another expression of our warm compatriotic feelings towards the South Korean people and a clear manifestation of our consistent peaceloving stand for the reconciliation and unity of the nation and the reunification of the country.

The results of the investigation clearly show that the case occurred by their illegal intrusion deep into the North's territorial waters and it is the South Korean puppet clique that manipulated their crime by radio from the beginning, the paper says, and continues:

The South Korean authorities should have apologized and blamed themselves for their aggravating confrontation and deteriorating inter-Korean relations through the case.

Instead of doing so, however, they have impudently charged the North with the case and urged the North to "release" the crewmen, intensifying the anti-North confrontation. Their act has fully revealed that they hope for neither a proper settlement of the case nor the improvement of inter-Korean relations, national reconciliation and unity and the country's reunification, and that they do not hesitate to put the seamen on the altar of the anti- North confrontation.

The people clearly see again who want the improvement of inter- Korean relations and national reconciliation and reunification in the Korean peninsula and who seek confrontation, division and war.

We are sincerely rejoiced at the fact that the South Korean seamen can go back home and meet their families and relatives again before the new year. We also sincerely hope that our compatriotic step will be conducive to promoting reconciliation and unity of the compatriots in the North and the South and achieving the independent and peaceful reunification of the country.

ROK Crewmen Hold News Conference in Pyongyang

SK2612143295 Pyongyang Korean Central Television Network in Korean 1100 GMT 26 Dec 95

[FBIS Translated Text] At the request of the crewmen of the South Korean ship 86 Usong, a news conference was held at the Pyongyang Koryo Hotel on the morning of 26 December in connection with their return to their hometown. Reporters from the press and publication organs in Pyongyang participated in the news conference.

Captain Pak Chae-yol spoke first at the news conference. He once again deeply apologized for committing a great criminal act in which the 86 Usong illegally intruded deep into the territorial waters of the North, then attempted to flee by not even responding to the warning of the naval patrol boat of the Korean People's Army.

He said that the 86 Usong crewmen should have been justly punished according to North Korean law, but the Republic took care of them through lofty compatriotic love and humanitarian spirit; welcomed them so that they could spend happy and delightful days here; and today allowed them to return to their hometown. He also said that they will never forget and sincerely thank the authorities of the North for showing leniency, compatriotic hospitality, and sending them back.

He said that their days in the North were truly meaningful days, which made it possible for them to have a correct understanding of the North through practical experience. He also said that even though they are only fishermen, they will make any contributions for the fatherland's reunification.

Next, Chief Engineer Kim Pu-kon, Captain Pak Chae-yol, Deputy Chief Engineer Yi Pyong-so, and crewmen Kim Yong-ha and Yun Kyong-sun answered questions raised by reporters.

They said that from the last news conference three months ago up until now they looked over the northern half of the Republic. Giving concrete facts, they also talked about the great impressions they received and the benefits of the free medical care in the northern half of the Republic.

They talked with overflowing emotion of how chronic diseases were cured by the warm consideration of General Kim Chong-il. They also said that they directly witnessed the earnest desire for reunification by the North's people, which transcended their expectations during their stay in the northern half of the Republic, and that they were deeply conscience-stricken. They said that all the people of the North bitterly lament the reality of division and earnestly desire national reunification.

They also said that as revealed by President Kim Il-song, if the whole nation achieves great national unity, the day for reunification will come without fail. They said that after coming to the North they realized that all were their parents and brothers. They sang in unison the song, "We Will Not Forget This Mind of the North" for which they collectively wrote the lyrics and music. [radio then carries the song sung by the crewmen, followed by applause when the singing ends]

Paper Denounces Kwon O-ki's 'Inaugural Address'

SK2312111395 Pyongyang KCNA in English 0945 GMT 23 Dec 95

["Morbid Way of Thinking" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — Kwon O- ki, minister of the puppet National Unification Board of South Korea, in his "inaugural address" on Dec. 21 talked about "globalization of the unification policy and the debate on unification". He added that debate of experts on unification is meaningless. NODONG SINMUN in a commentary today brands this as remarks which come from a morbid way of thinking.

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The analyst goes on:

We cannot but take a serious view of Kwon's "inaugural address", above all, because he in a morbid way of thinking regards national reunification as a matter of another country, not as an internal issue of the nation. This makes it impossible to achieve the reunification of the country vital to the nation by the efforts of our nation, to suit the interests of our nation and by the Korean people themselves, as it does not consider national reunification to be an internal issue of the nation. It will, in the long run, inveigle outside forces in the solution of the reunification question.

The minister of "National Unification Board" should have known that the reunification of the country is an internal question of our nation and, accordingly, the independent stand should be maintained in the reunification policy and the debate on reunification and the independent principle should be kept in their solution, with the interests of the nation placed above anything else.

In his "inaugural address", Kwon should have called for totally repealing or canceling the "unified channel of dialogue" pursued by the South Korean authorities including the "National Unification Board" and their policy of suppression of the debate on reunification and for releasing the South side officials of the National Alliance for the Country's Reunification, who conducted the reunification movement by reflecting the people's will. But he turned his back on urgent problems the solution of which the South Korean people ardently await and South Korea should tackle immediately. This shows that he has no proper reunification philosophy we can expect.

It is very rash of him to say this or that in high spirits right after he became a "minister" overnight.

If he has a little intention for the reunification of the country, he must stop, first of all, the anti-reunification remarks that go against the desire and aspiration of the nation.

CPRF Denounces 'Crimes' of Kim Yong-sam

SK2312090295 Pyongyang KCNA in English
0853 GMT 23 Dec 95

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued its Information No. 696 on December 21 lashing out at the dastardly behaviour of the traitor Kim Yong-sam to conceal his crimes and extricate himself from the catastrophic crisis even today when the truth behind the "presidential election fund" was brought to light.

The information says:

Shamelessly enough, the traitor Kim Yong-sam pretends to have received no penny as the "election" campaign fund. This is a mockery of and challenge to the South Korean people and the world conscience.

Kim Yong-sam received a colossal amount of money from No Tae-u.

The traitor Kim Yong-sam is employing all conceivable means and methods to get out of the catastrophic crisis by concealing his crimes and diverting elsewhere the attention of the people at home and abroad even today when his crimes are brought to light. But, it is a wriggle of the doomed.

The South Korean people from all walks of life must awaken themselves and must not be deceived by a trick of the traitor Kim Yong-sam, kingpin of thieves, and dauntlessly fight it out to oust him from power and build an independent democratic government.

We are sharply following with a high revolutionary vigilance the vicious and reckless moves of the Kim Yong-sam group to get out of the crisis of ruin by inventing a shocking anti-DPRK smear propaganda and provoking a war against the North.

Kim Yong-sam's Visit to Front Condemned

SK2312041795 Pyongyang KCNA in English
0401 GMT 23 Dec 95

["Bellicose Remarks of Man Doomed to Ruin" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — The traitor Kim Yong-sam showed up at a forefront observation post of a unit of the puppet army some time ago, and issued an "order" to take a "perfect posture" to prevent anyone from provoking, taking issue with the North. Commenting on this, MINJU CHOSON today says it is an unpardonable anti-communist smear agitation which can be made only by those who are accustomed to distorting the reality and converting black and white.

The analyst goes on: It is the South Korean warmaniacs who seek provocation and show ill-boding military movements on the Korean peninsula.

This remark, which reminds us of a thief crying stop thief, is a ridiculous wriggle to divert elsewhere public sentiment which is being directed toward him, an accomplice of the "slush fund scandal" and the ringleader of irregularities and swindle. It is also a product of the last resort to find a way out from the crisis of ruin by inventing a shocking anti-communist smear case when the internal situation of South Korea is getting worse in the future.

The traitor Kim Yong-sam must not resort to a preposterous smear trick but make a clean breast of his crime in the "slush fund scandal" and stand his trial before the people.

Buddhists Issue Statement on ROK 'Suppression'

SK2612113895 Pyongyang KCNA in English 0710 GMT 26 Dec 95

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — The Kim Yong-sam clique's brutal suppression of members of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) is an unbearable insult to the desires of the nation for reunification and a last-ditch effort of those upset by the people's campaign for a probe into the truth behind the shocking "slush fund case" and the punishment of principal culprits of the May 18 Kwangju massacre, says the Central Committee of the Korean Buddhist Federation in a statement December 25.

The statement views the arrest of pro-reunification patriots on the part of the kingpin of corruption and irregularities, who has used the "presidential" chair for money-making, as the height of impudence and the culmination of crime that can be found only in South Korea where injustice prevails.

The present-day realities, it notes, prove that with such an arch separatist and illegal wealth hoarder as the traitor Kim Yong-sam remaining in power, national reunification, the cherished desire of the fellow countrymen, cannot be achieved nor can the South Korean people get rid of increasing disasters and disgrace.

The statement warns that Kim Yong-sam the traitor should look squarely at the realities, immediately release all the arrested members of the South side headquarters of Pomminnyon, confess his high treason before the country and people of his own accord and face a stern judgement by history.

Paper Criticizes Kim Yong-sam, New Korea Party

SK2712032595 Pyongyang KCNA in English 0315 GMT 27 Dec 95

["Trick of Kingpin of Thieves" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The traitor Kim Yong-sam a few days ago called for "concentrating all efforts on stability and improvement of the people's living conditions" and argued that "change and reform will continue." Meanwhile, the "New Korea Party" is making a blatant propaganda that it defined "stability of the people's life" as the "main objective of its policy."

NODONG SINMUN today brands this as a third-rate trick to divert elsewhere public opinion critical of their involvement in the slush fund scandal, appease and cheat the people, win their favour and earn more votes in the "general election" slated for next year.

The news analyst says:

It is more disgusting for Kim Yong-sam to talk about "continuation of change and reform."

What he called "political reform" came to an end after he made up the regime of those of his faction origin and laid the foundation for his rule. What he called "economic reform" ended after he made the South Korean economy more heavily dependent on foreign monopoly capital through a humiliating policy of dependence on outside forces.

His "new economic policy" has turned out to be "no economic policy." His campaign for "liquidation of corruption and irregularities" resulted in laying bare his true colours as an accomplice of the slush fund scandal.

With nothing can Kim Yong-sam conceal his crimes — impoverishment of the people's life and corruption of society through his treacherous policy.

CPRF on Kim Yong-sam's 'Cabinet Reshuffle'

SK2712035495 Pyongyang KCNA in English 0331 GMT 27 Dec 95

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] Tuesday published information No. 697 denouncing the traitor Kim Yong-sam for his "cabinet reshuffle" and "restructuring" aimed at bridging over the ruling crisis even a little.

The information says his recent "cabinet reshuffle" is designed to shift onto his subordinates the responsibility for the serious ruling crisis caused by the failure of the "civilian government's" policies and its corruption and irregularities.

His recent "cabinet reshuffle" fully proves that the South Korean authorities are clearly indifferent to the solution to the reunification question and that they can not be a partner for dialogue with the North, but a herd of dirty separatists who set themselves against the reunification, it says.

According to the information, the traitor Kim Yong-sam replaced the "unification minister" with his servants several times after seating himself in the "Chongwadae [presidential offices]" in a bid to misappropriate government funds, a tax collected from the people, and not to improve the relations between the North and South and resolve the reunification question.

South Korean people from all walks of life should wage a more powerful struggle to overthrow the traitor Kim Yong-sam, who is making a last-ditch effort to emerge from a catastrophic crisis, adds the information.

Paper: Kim Yong-sam 'Must Be Overthrown' 'Soon'

SK2712044195 Pyongyang KCNA in English 0335 GMT 27 Dec 95

["Kingpin of Corruption Must Be Removed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — The investigation results published by the Central Committee of the National Democratic Front of South Korea prove that the traitor Kim Yong-sam has received a total of 935 billion won from No Tae-u, including 520 billion won as 1992 "presidential election" campaign fund, 200 billion won as "fund for power take-over" and a lot of money as "fund for congratulations on entry into Chongwadae [presidential offices]."

MINJU CHOSON today describes the investigation results as an indictment on the crimes of Kim Yong-sam, an accomplice of the slush fund scandal.

The news analyst says:

As soon as he came into "Chongwadae" he summoned businessmen to rake up bundles of money and lined his pocket through all sorts of irregularities. He asked outside forces to "establish an international cooperation system" over the "nuclear issue" of the North. He staged joint nuclear war exercises with the United States against the North, driving the inter-Korean relations to the worst phase. He objected to the fair and reasonable proposal for reunification through confederacy and built higher barriers of division.

With this kingpin of thieves, the enemy of reunification, remaining in power, corruption and irregularities cannot be liquidated in South Korea nor can the inter-Korean relations be improved.

The corrupt political situation of South Korea, a complex of power, money and intrigue, and the aggravation of the inter-Korean relations are a product of the anachronistic U.S. policy of colonial subjugation and hostile policy toward the DPRK. It is the United States that has zealously patronised and backed the South Korean puppets — corrupt and flunkeyist traitors. The United States must feel responsibility for this.

If corruption and irregularities are to be liquidated in South Korea, Kim Yong-sam must be overthrown as soon as possible.

Lithuania, Mozambique Support Reunification

SK2312092395 Pyongyang KCNA in English 0915 GMT 23 Dec 95

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — Heads of state of Lithuania and Mozambique expressed solidarity with the struggle of the Korean people for national reunification when they met the Korean ambassadors.

President of the Lithuanian Republic Algirdas Brazauskas expressed support to the efforts of the Korean people for the reunification of the country and said this historical task should be fulfilled at an early date.

President of Mozambique Joaquim Alberto Chissano said:

We are well aware that the Korean people have made great achievements in the drive for economic construction and national reunification under the leadership of Comrade Kim Chong-il.

The government of Mozambique sincerely wishes your people fresh success in the struggle for the reunification of the country in the future, too, and will fully support the struggle of the Korean people for the reunification of the country.

Prime Minister of Mozambique Pascoal Manuel Mocumbi said:

Our government extends full support to the Korean people in their struggle for the reunification of the country.

Kim Chong-il's Work Published in Russia

SK2312051195 Pyongyang KCNA in English 0337 GMT 23 Dec 95

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — The great leader Comrade Kim Chong-il's famous work "Giving Priority to Ideological Work Is Essential For Accomplishing Socialism" was published in booklet by the Russian Paleya publishing house on the occasion of the 4th anniversary of his election as supreme commander of the Korean People's Army.

Kim Chong-il's KPA Anniversary Commemorated

Meeting Held at House of Culture

SK2312101395 Pyongyang KCNA in English 1004 GMT 23 Dec 95

["Fourth Anniversary of Comrade Kim Chong-il's Election as KPA Supreme Commander Marked" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — A national meeting was held at the April 25 House of Culture today to mark the fourth anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army (KPA).

Placed on the platform of the 6,000-seat meeting hall was a portrait of the great leader President Kim Il-song against the background of the flag of the Workers' Party of Korea [WPK].

Also seen on the platform were KPA flags and guards of honor of three services.

Comrade Kim Chong-il was elected as KPA supreme commander according to the unanimous will of the whole party and the entire people at the 19th Plenary Meeting of the 6th Central Committee of the WPK, which was held on December 24, 1991, in the presence of President Kim Il-song.

Today's meeting was attended by Yi Chong-ok, Pak Song-chol, Marshal of the KPA Choe Kwang and other senior party and state officials.

Visiting delegations and groups of the General Association of Korean Residents in Japan (Chongnyon) were also present.

KPA Vice Marshal Cho Myong-nok, who is member of the WPK Central Military Commission and director of the General Political Department of the KPA, delivered a report titled "Let Us Fight More Staunchly Under the Leadership of the Respected Supreme Commander, Holding the Red Flag of Revolution High."

The reporter said that since respected Comrade Kim Chong-il was elected supreme commander of the revolutionary armed forces four years ago, the chuche cause of army building has been kept pure and our revolutionary cause has had a more definite military guarantee.

He quoted Comrade Kim Il-song as saying:

"Comrade Kim Chong-il has an indomitable will and grit, distinguished intelligence and commanding art befitting supreme commander of the revolutionary armed forces. This guarantees the consistent strengthening, development and invincibility of our revolutionary armed forces."

From the days of their founding our revolutionary armed forces had covered a road of proud victory, guided by Comrade Kim Il-song, ever-victorious iron-willed brilliant commander, and they have greeted a great heyday in their development with Comrade Kim Chong-il, the greatest general, as their supreme commander, the reporter said.

Noting that Comrade Kim Chong-il with the noblest traits as an outstanding military strategist and iron-willed brilliant commander, has wisely guided the chuche cause of army building, the reporter said:

One of the imperishable achievements he has made in the accomplishment of the chuche cause of army building is that he has strengthened and developed the KPA as the army of the leader and the party.

In our army the chuche-based commanding system has been thoroughly established and the whole army is replete with the revolutionary morale whereby the soldiers are ready to destroy the enemy battleships and positions at the risk of their lives on the order of the supreme commander.

This is the basic source for our army to emerge ever-victorious in face of any challenge and ordeals of history.

Indeed, the Korean People's Army is the army of the party, the revolution and respected Comrade Kim Chong-il.

Our people's army has grown in strength and developed into an invincible one with powerful offensive and defensive means with which to repulse any surprise invasion of the enemy as soon as possible. With the people's army at the core an all-people defence system has been established firmly.

We can say with confidence that we have self-reliant defence capabilities so that we can defeat any imperialist aggressors at one stroke and defend the security of the socialist homeland with credit.

The army and people help and lead each other forward unity thanks to the full-blown traditional traits of army-people unity. This is a precious feat of respected supreme commander Comrade Kim Chong-il for the accomplishment of the chuche cause of army building.

His feat in carrying forward the chuche cause of army building with credit is an undying one that cannot be performed by any brilliant commander in history; it only goes to prove how great he is.

Now that the imperialists and reactionaries persistently cling to their manoeuvres to stifle our republic, the fortress of socialism, greater efforts should be directed to increasing the national defence capabilities, said the reporter, who indicated the tasks.

He went on to say:

Maximum effort should be made to strengthen the People's Army.

Officers and men of the People's Army should cherish the instructions of the great leader Comrade Kim Il-song that the whole army should remain more faithful to Comrade Kim Chong-il, respected supreme commander. They should have an absolute worship for the supreme commander at all times and remain swords, rifles and bombs to defend him under any circumstances.

All the servicemen should firmly arm themselves with the respected supreme commander's military idea and chuche-based warfare method, acquire marksmanship worthy of a crack shot and high military technique and strengthen the combat power of their units so that they may provide against any unexpected situation.

The entire people and officers and men of the People's Army should be true revolutionary soldiers who share the destiny with Comrade Kim Chong-il to the end, rallied closer around him, who represents our country and revolution and symbolises all our victories.

Under his leadership, we will overcome the difficulties lying in the way of reunification and accomplish the cause of national reunification without fail so as to certainly realise the life-long desire of Comrade Kim Il-song, who devoted his all to the reunification of the country.

The reporter denounced the South Korean puppets' schemings for North-South confrontation and their war provocation moves as well as the U.S. imperialists' hostile policy towards the DPRK, and said:

We cannot remain an onlooker to anti-DPRK, anti-reunification manoeuvrings of the U.S. imperialists and the South Korean puppet clique nor allow them to commit any slightest provocation to encroach upon the sovereignty of the DPRK.

Our people treasure peace, but never beg for it.

It is our unshakable stand to answer talks with talks and war with war. If the enemy dare unleash a new war in this land, the officers and men of our People's Army and the people will turn out in the fight to annihilate the aggressors and defend the socialist homeland of chuche with credit.

Officials Attending Meeting Noted

SK2412011595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Dec 95

[FBIS Translated Excerpt] A central report meeting celebrating the fourth anniversary of the esteemed election of Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, as the supreme commander of the Korean People's Army [KPA] was held at the 25 April Cultural Center on 23 December. [passage omitted on the description of the venue]

Party and government cadres present at the rostrum were Comrade Yi Chong-ok, Comrade Pak Song-chol, Comrade Choe Kwang, Comrade Kim Yong-nam, Comrade Chon Pyong-ho, Comrade Kim Chol-man, Comrade Choe Tae-pok, Comrade Yang Hyong-sop, Comrade Yi Ul-sol, Comrade Cho Myong-nok, Comrade Kim Yong-sun, Comrade Kim Kwang-chin, Comrade Paek Hak-nim, Comrade Yi Ha-il, Comrade Kim Ik-hyon, Comrade Kim Ki- nam, Comrade Kim Kuk-tae, Comrade Hwang Chang-yop, Comrade So Kwan- hui, Comrade Kim Yong-sun [as heard], Comrade Kim Pok-sin, Comrade Kim Yun-hyok, Comrade Chang Chol, Comrade Yun Ki-pok, and Comrade Chon Mun-sop. Responsible functionaries of the party and government, anti-Japanese fighters, KPA commanders of branches of arms services, People's Army general-grade officers, Republic heroes, and exemplary fighters also entered the rostrum. [passage omitted]

'All Units' Hold Meetings 23 Dec

SK2412072195 Pyongyang KCNA in English 0711 GMT 24 Dec 95

["4th Anniversary of Election of Comrade Kim Chong-il as Supreme Commander of KPA Marked at KPA Units" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA) — Meetings were held at all units of the Korean People's Army [KPA] on December 23 to mark the fourth anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the KPA.

It was stressed at the meetings that to have held respected Comrade Kim Chong-il in high esteem at the head of the Korean revolutionary armed forces was a great national event which provided a sure guarantee for successfully carrying forward and accomplishing generation after generation the chuche-based cause of army building which the great leader President Kim Il-song started in the thick forest of Mt. Paektu in his early years and victoriously led for more than 60 years and for strengthening and developing the People's Army into the army of the leader, the army of the party and the army of the people forever.

It was under the wise guidance of the respected supreme commander that the Korean People's Army has come to have the noblest ideological and mental traits as the army of the leader and the army of the party, which is infinitely loyal to the party and the leader, the reporters said.

They recalled that the Korean People's Army has become a body of ideological purity replete with the revolutionary idea of the party, the chuche idea, all the KPA officers and men have grown up to be unrivaled soldiers who firmly trust and follow only the respected supreme commander and who are determined to become bullets and bombs to resolutely safeguard him and the military and technical might of the Korean People's Army has increased incomparably.

They said that the respected supreme commander set forth the militant slogan "Long live the idea of army-people unity!", initiated the army-people unity model county movement and converted the whole society into a great flower garden of army-people unity, highly estimating the beautiful deeds of army-people unity.

They called for more stubbornly fighting for the reunification of the country and the accomplishment of the revolutionary cause of chuche under the great leadership of the supreme commander, holding higher the red flag of the revolution which is associated with the whole life of the fatherly leader President Kim Il-song and with the iron will of the respected supreme commander.

Papers Observe Kim's Anniversary

SK2412073095 Pyongyang KCNA in English 0725 GMT 24 Dec 95

["Papers Observe Fourth Anniversary of Comrade Kim Chong-il's Election as KPA Supreme Commander" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA) — We have nothing to be fearful of and have nothing impossible to do and the victory of our revolutionary cause is definite because we have the great leader Comrade Kim Chong-il as supreme commander, say papers today.

In an editorial titled "Invincible Is Our Revolutionary Cause Guided by the Respected Supreme Commander" NODONG SINMUN says that since respected Comrade Kim Chong-il became the supreme commander of the revolutionary armed forces, our [Korean] People's Army [KPA] has grown stronger in the political, ideological and military might.

The paper further says:

It characterizes the leadership of Comrade Kim Chong-il that he promotes the socialist cause, having the revolutionary army under his command, and strengthens the revolutionary armed forces, while accelerating socialist construction.

All the victories and achievements in the revolution and construction have fully shown the greatness of our supreme commander, who has guided the army building and socialist construction along the road of victory.

The paper quotes the great leader Comrade Kim Il-song as saying:

"...It is rare for the people to have such a leader with literary and military accomplishments, loyalty and filial piety as Comrade Kim Chong-il."

Comrade Kim Chong-il has triumphantly led the party, the army and the people with a tested leadership art befitting a great statesman and with an outstanding commanding art proper to a prominent military strategist. This is extraordinary traits of his leadership.

Under his outstanding leadership, our army has grown to be an invincible army and our people have become a great people who accomplish great achievements, holding the red flag of revolution high.

He has also guided all the people and soldiers to enjoy a worthwhile life and struggle, with deep love for them.

He is highly praised as a great general, a great man with warm- heartedness and emotion.

It is the greatest happiness and glory of our people that they have him, who guides the party, the people and the army with distinguished ability and qualification and great traits, as the eternal supreme commander of our revolution.

We must be faithful to his ideology and leadership, mindful that our revolution has been proved successful and it will emerge victorious in the future, too, under his leadership.

All the party members, soldiers and people must always remain faithful to the revolution with the belief that they will surely win under his leadership.

Victory and glory are always in store for our army and people guided by him.

In an editorial MINJU CHOSON stresses that the Korean people and army that are vigorously advancing towards a new victory of revolution, united closely around the supreme commander, will emerge victorious in the future, too.

Ministry Hosts Film Show

SK2312051095 Pyongyang KCNA in English 0339 GMT 23 Dec 95

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — The Ministry of the People's Armed Forces hosted a film show on December 22 on the occasion of the fourth anniversary of the election of the great leader Comrade Kim Chong-il as supreme commander of the Korean People's Army [KPA].

Present on invitation were military attaches of foreign embassies in Pyongyang.

Present were vice marshal of the Korean People's Army Kim Kwang- chin, first vice-minister of the People's Armed Forces, KPA generals and officers.

The participants saw a documentary film on the might of the Korean revolutionary Armed Forces which have grown up to be an matchless and invincible Army under the wise guidance of the great brilliant commander.

Editorial Lauds Kim Chong-il 'Seniors' Work

SK2612151595 Pyongyang KCNA in English 0904 GMT 26 Dec 95

["Let Us Successfully Accomplish Socialist Cause by Giving Full Play to Noble Moral Obligation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — NODONG SINMUN in an editorial today says the great leader Comrade Kim Chong-il's work "Respecting Seniors in the Revolution Is a Noble Moral Obligation of Revolutionaries" is an immortal work which develops in depth the chuche-based theory on socialism into a new higher stage.

The work with many original propositions, profound philosophy, clear logic and a noble sense of moral obligation indicates from a new angle the way of accomplishing the socialist cause, with the result that the chuche-based theory on socialism has been further developed and completed and its revolutionary role enhanced immensely, the editorial notes.

It says the work clarifies the law governing the inheritance and development of the socialist cause and comprehensively teaches the revolutionaries and people the way of winning victory in the revolution and the norm of activity.

The editorial quotes the great leader Comrade Kim Chong-il as saying: "Socialism advances to consummation as the successors carry on and develop down through generations what their predecessors achieved for the revolution."

It goes on:

The work propounds the philosophical principle that the attitude toward seniors in the revolution is an important question concerning the destiny of the revolution.

The way of defending the dignity and honor of the revolutionaries and leading the revolutionary cause to victory lies in firmly defending the idea and feats of the leader and faithfully carrying forward and developing the revolutionary cause of the leader.

The truth proved by respected Comrade Kim Chong-il in the work is scientific and immovable. By proving the truth, the work gives the revolutionary people great confidence and powerfully encourages them to struggle to successfully carry forward and accomplish the revolutionary cause.

The work deals with the noble spiritual and moral trait of the Korean communists, who are fulfilling their moral obligation to the revolutionary predecessors and, thus, gives our people deep pride and self-confidence in making revolution.

By pointing out the mental and moral traits of the Korean people, the work convincingly proves that the Korean communists are, indeed, genuine revolutionaries with a noble moral obligation, a model of true humankind and that the anthropocentric Korean-style socialism is superior to the capitalist system politically and ideologically, mentally and morally.

It is an immortal encyclopedia for the building of communist virtues, as it consummates in an all-around way the idea and theory on communist morality for the first time in history.

Because it opens up the road ahead of development of morality of our time, the work becomes a representation of conscience of the world, a mirror of true men and a treasure common to humankind.

The work deals a heavy blow at the moves of renegade socialists who insult the revolutionary forerunners and obliterate their achievements while it serves as a militant banner which makes it possible to defend the honor and dignity of communists.

The work harshly condemns the immorality, reactionary nature and harmfulness of traitors to the revolution and clearly sets forth the way of restoring communist outlook on morality worldwide, so it is sure to display great might and vitality in the struggle of the revolutionary people over the world to rebuild socialism.

The work of Comrade Kim Chong-il is a famous one that contains a precious wealth of ideas and theories on the basic principles and law governing the accomplishment of the cause of socialism, and it is a revolutionary banner inspiring the communist revolutionaries and other people to the glorious struggle to create a justice-ridden and beautiful new world in which communist morality is brought into full bloom.

Kim Chong-il Watches KPA Dance Performance

SK2612003495 Pyongyang Korean Central Broadcasting Network in Korean 2104 GMT 25 Dec 95

[FBIS Translated Text] Comrade Kim Chong-il, the supreme commander of the Korean People's Army [KPA], watched a performance given by the KPA song and dance ensemble and artists.

On 24 December, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, who is the great leader [widaehan yongdoja] of our party and people, watched the performance given by the KPA song and dance ensemble and artists.

DPRK Vice Marshal Comrade Cho Myong-nok, director of the General Political Bureau of the KPA; DPRK Vice Marshal Comrade Kim Yong-chun, chief of the General Staff of the KPA; DPRK Vice Marshal Comrade Kim Kwang-chin, first vice minister of the Ministry of People's Armed Forces; DPRK Vice Marshal Comrade Yi Ha-il; and other KPA general-grade officers and military officers watched the performance with him.

The merited chorus troupe, male chorus, sang many songs on stage, such as the "Leader's [suryong] Lines Are Everywhere," "The Dear Leader Will Be Encouraged With Us," "People Are Moved," "The Rifle of the Three-Generation Generals," and "Let Us Highly Raise the Red Flag."

During the performance, the artists proudly sang songs, properly expressing the pride and happiness of soldiers of our People's Army which has vigorously advanced along the single road of victory and glory, as well as the political spirit and will of the KPA to endlessly complete the chuche revolutionary cause pioneered in the thick forests of Mt. Paektu under the leadership of the respected and beloved general.

Expressing a great satisfaction with the performance properly given by the merited chorus and artists on the revolutionary and chuche-oriented stage, Comrade Kim Chong-il highly praised their performance.

Comrade Kim Chong-il presented tasks and plans that will be a guideline for more vigorously conducting the art activity of the KPA song and song ensemble, writers, and artists to lead the soldiers of the People's Army and people to achieving brilliant feats.

Kim Chong-il Visits University, Military Academy

SK2612134695 Pyongyang KCNA in English 0642 GMT 26 Dec 95

[FBIS Transcribed Text] Pyongyang, December 26 (KCNA) — The Great Leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], on December 25 congratulated the officials and teachers of Kim Il-song Political University and Kang Kon Military Academy on their 50th founding anniversaries and posed for photographs with them.

When Comrade Kim Chong-il arrived, all the participants enthusiastically welcomed him, raising a storm of cheers "Hurrah Excl," and shouting "Kim Chong-il," "Singlehearted unity" and "Let us devote ourselves to the defence of the respected Supreme Commander Comrade Kim Chong-il!" and other revolutionary and militant slogans.

He waved to them. He congratulated the officials and teachers of Kim Il-song Political University and Kang Kon Military Academy for the great contributions they made to strengthening the People's Army into a modern revolutionary cadre army, each soldier being a match for a hundred foes, and accelerating the modelling of the whole Army on the chuche idea by training a large number of able military and political officers for 50 years, in hearty response to the [word indistinct] chuche-based idea and policy on military education. Then he posed for photographs with them.

Present there were KPA Marshal Choe Kwang, the chairman of the National Defense Commission of the DPRK and minister of the People's Armed Forces, KPA Vice Marshal Cho Myong-nok, director of the General Political Department of the KPA, KPA Vice Marshal Kim Yong- chun, chief of the General Staff of the KPA, and KPA generals.

Comrade Kim Chong-il expressed the belief that the officials and teachers of Kim Il-song Political University and Kang Kon Military Academy would in the future, too, make great contributions to increasing the political and military strength of the People's Army through a thorough implementation of the self-reliant military line of the party in educational work.

All the participants hardened their determination to make positive contributions to the strengthening and development of the People's Army into the main force to accomplish the cause of the Korean revolution and into an invincible army by making new achievements in military education under the leadership of Comrade Kim Chong-il.

Praises 'Military Might'

SK2512233495 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 25 Dec 95

[FBIS Translated Text] The great leader [widaehan yongdoja] Comrade Kim Chong-il praised and posed for a commemorative photo with functionaries and faculty of the Kim Il-song Political College and the Kanggon Military Academy on the occasion of the 50th anniversary of their founding.

On 25 December, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], who is the great leader of our party and people, praised the functionaries and faculty of the Kim Il-song Political College and the Kanggon Military Academy and posed for a commemorative photo with them, greeting the 50th anniversary of their founding.

As Comrade Kim Chong-il, the supreme commander of the KPA, arrived at the studio, all participants enthusiastically cheered him, giving "a great hurrah" and shouting the revolutionary and militant slogans titled "Kim Chong-il, a single-hearted unity," and "Let us fight for the respected and beloved supreme commander Comrade Kim Chong-il at the risk of our lives."

Responding to their cheers by waving, Comrade Kim Chong-il congratulated the functionaries and faculty of the Kim Il-song Political College and the Kanggon Military Academy on their great contribution to strengthening the People's Army into a one-is-a- match-for-one-hundred revolutionary ranks that has been modernized and turned into an army of cadres, and on their great contribution to accelerating the modeling of the entire army on the chuche idea by fostering many capable military political functionaries while highly upholding the party's chuche-oriented military education, ideology, and policy over the past fifty years. He also posed for a commemorative photo with them.

Present were DPRK Marshal Comrade Choe Kwang, vice chairman of the DPRK National Defense Commission and minister of the People's Armed Forces; DPRK Vice Marshal Comrade Cho Myong-nok, director of the KPA General Political Bureau; DPRK Vice Chairman Comrade Kim Yong-chun, chief of General Staff of the KPA; Comrades Kim Myong-kuk and Hyon Chol-hae, DPRK generals; Comrades Kim Chong-kak and Pak Chae-kyong, DPRK colonel generals; and other KPA general-grade officers.

Comrade Kim Chong-il expressed his conviction that in the future as well the functionaries and faculty of the Kim Il-song Political College and the Kanggon Military Academy will greatly contribute to enhancing the combatant and military might of the People's armed forces by thoroughly applying our party's independent military line to educational work.

All participants are overflowing with a burning resolution to actively contribute to making the People's Army become the pillars of completing the cause for the Korean revolution and to strengthening and developing it into an invincible army.

Kim Chong-il, Kim Chong-suk Anniversaries Marked

SK2412072895 Pyongyang KCNA in English 0718 GMT 24 Dec 95

["4th Anniversary of Comrade Kim Chong-il's Election as Supreme Commander of KPA and Comrade Kim Chong-suk's Birth Anniversary Marked" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 24 (KCNA) — December 24 is being commemorated very significantly in Korea with colourful events in a festive mood.

The day is a historical day marking the 4th anniversary of the election of the great leader Comrade Kim Chong-il, the most brilliant commander, as supreme commander of the Korean People's Army [KPA] and the 78th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

The Korean working people and People's Army soldiers, full of great national honour and pride of holding Comrade Kim Chong-il, the great brilliant commander, in high esteem at the head of the revolutionary armed forces, recalled the immortal exploits performed by respected General Kim Chong-il in army building and leadership and hardened their faith and will to make their country, their motherland more prosperous with a single heart under the leadership of the general.

They are also looking back on the immortal revolutionary exploits of Comrade Kim Chong-suk, who devoted herself to the liberation of the country and the freedom and happiness of the people, with boundless respects and reverence for her who remains an invariable lifeguard forever in the hearts of the Korean people.

Significant celebrations took place in the capital and local areas.

A music and dance performance was given by artistes of the Korean People's Army Song and Dance Ensemble at the April 25 House of Culture on December 23 to celebrate the 4th anniversary of the election of Comrade Kim Chong-il as supreme commander of the KPA.

Vice-President Pak Song-chol and other senior party, state and army cadres, working people in the city, delegations and home- visiting groups of the General Association of Korean Residents in Japan staying in the socialist homeland saw the performance.

A celebration evening of People's Army soldiers in Pyongyang and an oratorical contest and a dancing party of youth and students in the capital were held.

Leading officers of the Ministry of the People's Armed Forces, generals, officers and soldiers danced hand in hand, demonstrating their features of loyal subjects and a-match-for-a hundred soldiers who have grown up under the leadership of the great brilliant commander.

The revolutionary spirit and militant stamina of the young guards to devotedly fight for the respected supreme commander were shown at the oratorical contest and the dancing party.

Performances were given at the People's Palace of Culture, the Mansudae Art Theatre and other theatres, cinema houses in Pyongyang and local theatres from December 23. The performers sang of the Korean people's dignity and pride of being blessed with the great leader and the supreme commander generation after generation and represented boundless respects and reverence for Comrade Kim Chong-suk.

Birth Anniversary of Kim Chong-suk Reported

SK2312092595 Pyongyang KCNA in English 0921 GMT 23 Dec 95

["Comrade Kim Chong-suk, Model of Loyalty" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 23 (KCNA) — December 24 this year is the 78th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter and anti-Japanese heroine.

On this occasion, many people visit the Mt. Taesong Revolutionary Martyrs Cemetery in Pyongyang and other revolutionary sites of Comrade Kim Chong-suk.

Comrade Kim Chong-suk was a model of the communist revolutionary boundlessly loyal to the great leader President Kim Il-song.

Born into a poor farm family in Hoeryong city, North Hamgyong Province, she took part in the anti-Japanese armed struggle at the age of 18.

She bravely fought many battles as a dead shot and successfully carried out assignments of underground work.

She firmly defended President Kim Il-song's personal safety and revolutionary idea in the bloody battles of over 10 years.

After national liberation, she, in hearty response to his policy of building a new country, encouraged the people to implement it.

The Korean people built revolutionary museums and historic sites and her statues in various places including Hoeryong city, North Hamgyong Province, and Kim Chong-suk County, Yanggang Province, to convey her indomitable revolutionary spirit and exploits for all ages.

Several units were named after her, for example, Kim Chong-suk County, Kim Chong-suk University of Education and the Kim Chong-suk Nursery.

A lot of books and literary and art works describe her revolutionary activities.

Anniversary of Kumgangsan Opera Troupe Noted

SK2312090495 Pyongyang KCNA in English 0856 GMT 23 Dec 95

[FBIS Transcribed Text] Tokyo, December 21 [date as received] (KNS-KCNA) — A meeting was held in Tokyo on December 20 to mark the 40th anniversary of the formation of the Kumgangsan Opera Troupe.

A silk banner from the homeland was introduced at the meeting.

Then introduced were messages of greetings from the Ministry of Culture and Art, the Mansudae Art Troupe, the Pibada Opera Troupe, the State National Art Troupe, Pyongyang University of Music and Dance and the Korean Art Interchange Association.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), in his congratulatory address, said that the Kumgangsan Opera Troupe should become a standard-bearer and trumpeter in developing the movement of Koreans in Japan onto a new higher through the thorough implementation of the historic letter sent by respected General Kim Chong-il.

To this end, he added, all the members of the troupe should singleheartedly uphold respected General Kim Chong-il with loyalty and filial piety and direct efforts to the strengthening of the singlehearted unity of their ranks.

A letter to the great leader Marshal Kim Chong-il was read out at the meeting.

'Application' of Socialist Constitution Urged

*SK2712041295 Pyongyang KCNA in English
0357 GMT 27 Dec 95*

["Papers Call for Thorough Application of Socialist Constitution" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 27 (KCNA) — Papers here today dedicate editorials to the 23rd anniversary of the publication of "Socialist Constitution of the Democratic People's Republic of Korea" by the great leader Comrade Kim Il-song on December 27, 1972.

NODONG SINMUN runs an editorial titled "Let Us Add Brilliance to Our Country, Our Motherland Through Thorough Application of Socialist Constitution."

The publication of the socialist constitution is an undying historical contribution made by Comrade Kim Il-song to the strengthening and development of the DPRK and to the accomplishment of the socialist cause, the paper says.

It quotes the great leader Comrade Kim Chong-il as saying:

"Our country's socialist constitution is a chuche-based political charter which legally confirms the great victories and successes our people have achieved in the revolution and construction and which defines the principles of state and social life and important tasks for attaining the cause of socialism and communism."

The editorial further says:

The socialist constitution personally drafted by Comrade Kim Il- song has brought about a great change in all domains of the state and social life in the past for its advantages.

This socialist constitution has been successfully applied under the leadership of respected Comrade Kim Chong-il, and it is demonstrating its great vitality with each passing day.

The great leader Comrade Kim Chong-il published many famous works including "On Increasing Obedience to Socialist Laws" to comprehensively indicate all the theoretical and practical matters arising in applying the socialist constitution.

The strong organisation and discipline of our society and the firm defence of the anthropocentric socialism of Korean style which is daily strengthening and developing — these are impossible without the leadership of the great General Kim Chong-il, who has consistently held fast to the socialist constitution drafted by Comrade Kim Il-song, considering it to be an eternal wealth of the Korean revolution.

The great Comrade Kim Chong-il is organising and leading all the activities to further increase the might of our republic through the application of the socialist constitution and accelerate socialist construction.

The editorial stresses:

All the party members and other working people must defend the high authority of the great Comrade Kim Chong-il in every way and become absolute champions, resolute defenders and strict executors of his ideas any time and anywhere.

We should learn from the noble traits of the great Comrade Kim Chong-il, who personifies communistic morality and obligation on the highest level, venerate the fatherly leader Comrade Kim Il-song with a higher sense of consciousness and obligation than we did him when he was alive and keep to our duties as the soldiers and disciples of the leader in the struggle to thoroughly apply the socialist constitution.

MINJU CHOSON runs an editorial entitled "Let Us Further Demonstrate Might of Socialism of Our Style Through Thorough Application of Socialist Constitution."

South Korea

Seoul Decides To Try U.S. Soldier for Assault

*SK2712110995 Seoul YONHAP in English
1050 GMT 27 Dec 95*

[FBIS Transcribed Text] Taegu, Dec. 27 (YONHAP) — The Justice Ministry has decided to exercise criminal jurisdiction against an American soldier stationed near here who is suspected of having assaulted a Korean bar employee inflicting her an injury.

The soldier was identified as Pvt. Bennet Billy Lee, age 18, assigned to the 19th Support Group of the Eighth U.S. Army.

Prosecutor Sim Chae-kye of the Taegu District Prosecutor's Office said Wednesday the Justice Ministry approved the prosecution's plan to exercise jurisdiction against Pvt. Lee.

Sim said the American soldier is under the suspicion that he assaulted a Ms. Chon, age 48, at the wash room of a bar at Ichon 1-tong, Nam-ku, Taegu around 3:50 am Nov. 29 when she resisted his attempt to rape her.

The Prosecutor's Office summoned and questioned him twice but he is known to have denied the assault.

KPDCO Negotiates for Texaco Oil Field Stake

SK2312014895 Seoul YONHAP in English
0103 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — The Korea Petroleum Development Corp. (KPDCO) has concluded preliminary negotiations with U.S. oil giant Texaco to acquire a 15-percent stake in the Captain's oil field at an estimated cost of 210 million U.S. dollars. An official at the state-run company said Saturday.

This oil field which Texaco is currently developing, is estimated to have oil deposits of over 350 million barrels, and is expected to produce 60,000 barrels of oil a day some time in the fourth quarter of 1996, the official noted.

The Korean company also expects the projected joint venture with the world class oil company to bring yield technological advances that might otherwise take years to acquire. [sentence as received]

U.S. Said Urging Resuming Rice Aid to North

SK2712121095 Seoul HANGUK ILBO in Korean
27 Dec 95 p 3

[Article by Yu Sung-u]

[FBIS Summary] "Following the return of the Usong boat crewmen, who had been abducted to the North, through Panmunjom on 26 December, North-South relations, which had been stalemated since the breakup of the third round of talks held in Beijing on 30 September, returned to an active phase."

The return of the Usong crewmen has long been the ROK's condition for the 150,000 tonnes of rice already shipped to North Korea. Their return is not a pretext for additional rice aid. North Korea should have returned them before the last shipment in October.

"Nevertheless, the return of the crewmen is regarded as a prelude to changes in North-South relations because of the changes expected in the situation on the Korean Peninsula next year."

First, the United States and Japan are expected to improve relations with North Korea. An ROK Government official revealed: "The U.S. Government has asked the ROK to resume food aid to North Korea." Food aid will also be an important catalyst at North Korea-Japan talks on establishing diplomatic relations.

The next factor is the signs of unrest in North Korea. Even though some government officials believe the reports on North Korea's unusual moves quoting U.S. sources are created to meet the needs of U.S. policies, the situation is pressing the ROK Government to change its policy and develop North-South relations based on the issue of food aid. North Korea's advance notice on the return of the Usong crewmen reflects its determination to reopen negotiations on additional rice aid.

"However, such a format for North-South dialogue is not desirable to the ROK. The ROK Government's position is that in order to restart negotiations on additional rice, the participants in the talks should be of a higher level."

In the case of the light-water reactors, the United States is the main contact representing the Korean Peninsula Energy Development Organization [KEDO] and the ROK only pays the money. It is doubtful that the ROK Government will accept "KEDO-style" dialogue in the rice aid issue, which is a sensitive security issue.

In returning the Usong crewmen, North Korea maintained its stance excluding South Korean authorities and only contacted the UN Command. "ROK Government officials interpret this as North Korea's attempt to increase contacts with the United States at Panmunjom, and expect that North Korea will not respond to dialogue higher than the Beijing talks level."

North Korea was right in its calculation that the return of the Usong crewmen will kindle discussions on additional rice aid.

Ministry: 'No Immediate Plans' for DPRK Aid

SK2712101395 Seoul YONHAP in English
0930 GMT 27 Dec 95

[Report by Hwang Tu-hyong: "Seoul Has No Immediate Plans To Provide Rice Aid to Pyongyang"]

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP) — South Korea Wednesday reiterated that it has no immediate plans to provide North Korea with additional rice aid, saying that the return of kidnapped South Korean fishermen in and of itself does not satisfy conditions Seoul has set for additional rice aid to the North.

The Foreign Ministry said in a press release that the South Korean Government's policy on the rice aid to the North has not changed, reaffirming that Pyongyang must officially ask Seoul for additional rice aid through direct inter-Korean talks, stop denouncing the South and make efforts to ease tensions on the Korean Peninsula.

The hardline position of the Seoul government toward the North stems from Seoul's perception of the economic situation in the North.

A Foreign Ministry official said that the South Korean Government disagrees with reports that the North's food supply has reached the point where the North Korean regime is in danger, although it acknowledges that food scarcity in the North is a problem to a certain degree.

"Recent reports regarding the food shortage and economic plight of North Korea must have been exaggerated by local and foreign media apparently due to a lack of accurate information on the North Korean situation," he said.

"It could be true that the North is experiencing a food shortage," he said. "We do not, however, think that the food shortage reached a point of danger."

He said that food shortages have been a chronic problem for the North since at least the late 1980s, and that the North must devise its own system for survival. It was also noted that the South Korean Government has received conflicting information regarding the North's food situation.

North Korea, for example, has transported only about one-quarter of the 200,000 tons of rice which Japan agreed to provide last September, he said.

"I understand that the North is delaying shipment due to a lack of storage facilities," he said.

Hulled rice cannot be stored for long and the North appears to want to ship the remaining 150,000 tons of rice in time for its annual spring food shortage, he said.

That means the North is not in dire need of rice from at the moment, he said. [sentence as received]

Some analysts have said that North Korea's economy has reached the point where it cannot even provide the fuel for boats or port fees necessary to transport the rice from Japan.

Ministry officials said that as far as they know, North Korea has yet to explain to [as received] why they have not yet taken delivery of the rice pledged by Japan, nor have they asked that it be delivered at the donors expense. It would, however, be very difficult for Japan to grant such a request, even if North Korea had asked.

Officials of neighboring countries tend to provide conflicting information that serves their own national interests regarding food situation in the North rather than sticking to the facts, according to another official at the Foreign Ministry.

Japan's Chief Cabinet Secretary Koken Nosaka earlier this week said that he wants to consult with South Korea and the United States to ease a food shortage in the North which could prove to be a destabilizing factor in Northeast Asia.

"Japan's basic position is to provide as much aid to the North as possible with the hope of improving relations with Pyongyang, although this position has been consistently balanced by fears in the South of the possibility of direct links between Tokyo and Pyongyang that alienate Seoul," he said.

Chinese Foreign Minister Qian Qichen recently interpreted the North's food situation quite differently, by saying that he did not believe the food shortage was severe enough to affect regional security in the Northeast Asian region.

China does not want to destabilize the security of Northeast Asia either, but these hopes are expressed in a different form, the official said.

Noting that China has stopped providing about one million annual tons of rice to the North this year due to Chinese crop failures, Beijing may have wanted to make an excuse for its failure to provide rice to the North, according to the official.

The ministry meanwhile dismissed reports that the United States is sending a fact-finding team to the North to investigate the possibility of additional rice aid to the North in efforts to ease tensions on the Korean Peninsula.

"I understand that it is very difficult for the U.S. Government to take measures to provide government-level rice aid to the North," an official said, noting that Washington has yet to secure financing for the provision of heavy oil to North Korea under the Geneva framework agreement signed in October last year.

He did not rule out, however, the possibility of private organizations in the United States sending rice to the North.

Seoul Government will take the initiative in the tripartite talks slated for late January in Honolulu to deal with this situation the officials said.

South Korea is likely to have the most accurate information on the North, although it will pay close attention to advice it receives from Japan and the United States.

Official: North Stance Change Essential for Aid

SK2712073195 Seoul YONHAP in English
0713 GMT 27 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP) — There is no change in the South Korean Government's position that North Korea should first soften its stance toward South Korea for Seoul's additional rice aid of Pyongyang to be made, Vice National Unification Minister Song Yong-tae said Friday.

The vice minister said in a meeting with reporters that his ministry did not interpret the North's return on Tuesday of South Korean fishermen as representing a change in Pyongyang's attitude toward Seoul. "The return of the fishermen was only one of the prerequisites (for the additional rice assistance)," he noted.

Touching on the high-level three-way meeting of South Korea, Japan and the United States slated for January in Honolulu, Song dropped a hint that additional rice shipments may be discussed. He said that the final decision on additional rice shipments to North Korea was pending consultations with the other ministries involved.

He refused, however, to answer questions about whether South Korea will stick to its principle of not permitting additional food assistance to the North at this meeting.

He also suggested that the severity of the North's food shortage seems to have been somewhat exaggerated.

Businessmen Cited on 'Starvation' in DPRK

SK2712101595 Seoul TONG-A ILBO in Korean 27 Dec 95 pp 1, 2

[Report by Chon Kwang-om]

[FBIS Summary] It has been confirmed that North Korea is suffering "the worst sort of food crisis, in which millions of people have been driven to the brink of starvation." According to ROK officials and businessmen who have been in contact with North Korean Government authorities or businessmen in third countries, such as China, about seven million of the total 20 million North Korean people "have been excluded from the food rationing list and are virtually abandoned by the North Korean authorities." In particular, official food distribution to residents in South Hamgyong, Yanggang, and Chagang Provinces, which have more serious food problems than other places, was suspended long ago. As a result, many people are wandering from place to place, looking for food.

Recently, the North Korean authorities reportedly carried out public executions of some people engaged in black-marketing rice, a phenomenon that prevails in North Korea because of the scarcity of rice and because some refuse to give rice to the authorities. An ROK official who recently met a North Korean in Yanbian, China said: "In fact, the North Korean economy has been paralyzed. It seems that it will be difficult to save North Korea from the deadlock merely by providing it with food aid."

North Koreans who have relatives in China frequently cross the border to obtain food from their relatives, and they have no difficulty in receiving passes from North Korean authorities, who have been issuing passes easily to people these days, taking the serious food problems into consideration. Many people in Pyongyang also visit rural or fishing areas to exchange their home appliances, such as televisions and refrigerators, for food.

In addition to a grain shortage, the North Korean people are also suffering from an extreme shortage of other daily necessities, including sea products. Ordinary North Koreans can hardly obtain seafood because most of the catch is taken away to fulfill quotas, and because fishing boats cannot fish in a timely manner due to gasoline shortages. An official said: "North Korea's system of supplying daily necessities is itself faced with ruin."

North Korean manufacturing is also at an "extreme standstill" following the enduring economic slump of the past four years. North Korea stopped operating many steel industry facilities and facilities in other basic industries a long time ago, and less than 10 percent of North Korean plants throughout the country are now operating.

A shortage of fertilizers and agricultural chemicals, in addition to the heavy flooding, reportedly has also contributed to the poor grain harvest in North Korea. North Korea's food problems are likely to be aggravated in coming days because China, a major source of food supply to North Korea, is also expected to suffer from a serious food crisis next year. An ROK official said: "If the government decides to support North Korea, it should provide North Korea not only with grain, fertilizer, and agricultural chemicals, but also with farming technology so North Korea can break through the food crisis."

Researcher: Serious 1996 DPRK Grain Shortages

SK2712105795 Seoul MUNHWA ILBO in Korean 27 Dec 95 p 5

[Article by Ho Min]

[FBIS Summary] Kim Un-kun, chief researcher of the Agricultural Economy Institute, has written a thesis titled "The Prospects of North Korea's Grain Demand and Supply," which predicts that North Korea will run out of food in March 1996.

"The report is based on months of research on North Korea's weather conditions and crops in the nearby areas," including the PRC border areas and the South Korean areas of the DMZ.

"Kim estimates that North Korea harvested 2.585 million tonnes of grain, but next year's demand will be 6.224 million tonnes."

"North Korea's population is approximately 23 million. Assuming that the average monthly grain consumption is 500,000 tonnes, North Korea will use up this year's crop harvest in five months."

Imported or grant-type rice from outside the country was approximately 1 million tonnes this year, including the 150,000 tonnes from South Korea, but these are believed to have already been consumed. Thus, the report estimates a 2.237-tonne rice shortage and 661,000-tonne corn shortage in 1996. According to the report, North Korea produced an average of 127 kg of rice per tanbo (10 ares) [1,000 square meters], which is 28 percent of the ROK's output (445 kg).

DPRK's 'Unilateral' Return of Crew Assessed

SK2712061595 Seoul CHOSON ILBO in Korean 27 Dec 95 p 2

[Article by reporter Kim In-kwang]

[FBIS Summary] "On 26 December, the National Unification Board [NUB] Secretariat for North-South Talks waited for North Korea's prior notice in connection with the repatriation of the Usong crewmen, but the North Korean side enforced its unilateral repatriation after all."

"North Korea did not provide advance notice to the liaison official of our side who is permanently stationed in Panmunjom concerning the procedure for the repatriation and the route for crossing the border. Instead, North Korea unilaterally notified the Military Armistice Commission [MAC] of the United Nations Command of the border crossing route.

"Therefore, the Usong crewmen crossed the Military Demarcation Line in an ambiguous situation of not knowing the repatriating organization or the recipient organization. The government officials anticipated that the Committee for the Peaceful Reunification of Korea or the DPRK Red Cross Society would come forth as a repatriating organization. However, North Korea stuck to the way it employed for the return of Pak Yong-kil and the dissident college coed through Panmunjom."

"An official of the United Nations Command said, 'Since ROK Army General Hwang Won-tak was appointed senior MAC delegate in 1991, North Korea has been refraining from even using the word MAC. North Korea is now insisting on alienating the South Korean authorities themselves, so a situation is created where the North Korean authorities have no one to contact for the return of the crewmen. If North Korea should request the MAC to take delivery of the crewmen, it would result in the situation in which North Korea admits the existence of the MAC, leading North Korea into an embarrassing situation. Considering North Korea's rigid stance, it is not appropriate to assume that the repatriation of the Usong crewmen will be a turning point for the improvement of inter-Korean relations.'"

"The United Nations Command planned to take delivery of the remains of the three dead crewmen according to the procedure of the repatriation of the U.S. soldiers' remains, but North Korea returned the boxes containing the remains along with the surviving crewmen without any ceremonial procedure." North Korea has returned the fishermen through Panmunjom for the first time since the establishment of the armistice system. North Korea must have decided to return the crewmen through Panmunjom instead of banishing them to the open seas to publicize its 'generosity' at the well- known stage of Panmunjom. North Korea mobilized its official media to advertise that the crewmen were receiving warm compatriot love in the North.

"Some analysts observe that by accepting as customary practice the unilateral passage through Panmunjom, North Korea intends to demonstrate to the U.S. side that the armistice system has become a mere scrap of paper, stressing the need for the establishment of a peace regime. The North Korean rejection of the contact and dialogue between the authorities of the North and the South in the process of repatriating the Usong crewmen drove away, at least for the time being, the expectation that the repatriation of the Usong crewmen may bring about the resumption of inter-Korean dialogue."

Daily Analyzes Usong Crew's Return to Families

SK2712063295 Seoul HANGYORE SINMUN in Korean 27 Dec 95 p 3

[Editorial: "Usong Crew's Return to Their Families' Embrace"]

[FBIS Summary] The return of the Usong's crew triggers mixed feelings of joy and sorrow and at the same time, reminds us of the tragedy of national division. Although North Korea apparently did not return them on the occasion of the inauguration of the South's new deputy prime minister for unification, we "hope this accidental coincidence will be interpreted favorably."

We hope that the "desire for improvement of South-North relations" and the "will to make the government flexible and free from adhering only to contacts between South and North Korean authorities" that were emphasized in Deputy Prime Minister Kwon O- ki's inaugural address will be combined with the attitude of the North seen in its return of the Usong crew, to positively contribute to a new era of inter-Korean relations. "If the government assumes a flexible attitude toward South-North issues with the return of the Usong crew, we believe that a way to melting frozen South-North relations can be found."

While there are admittedly many obstacles, including the issue of Rev. An, in leading South-North relations to an era of reconciliation and cooperation, we question whether obstacle-free South-North relations can ever be possible, and ask Deputy Prime Minister Kwon "to prepare a new turning point for South-North relations with an active policy using the Usong crewmen's return as a momentum."

DPRK Makes 'Third' Request to Japan for Rice

SK2712000495 Seoul KBS-1 Radio Network in Korean 2215 GMT 26 Dec 95

[Report by Tokyo-based correspondent Yu Sung-chae]

[FBIS Translated Text] TOKYO SHIMBUN today reported that the North Korean Workers Party requested rice aid to the Japanese ruling coalition for the third time. The previous two requests were made in June and October. TOKYO SHIMBUN added that although North Korea did not specify a specific amount in making the request for rice aid, North Korea seemed to wish to receive as much aid as possible.

The Japanese ruling coalition is discussing this with the government, and intends to decide on the issue of rice aid after discussing the matter with the ROK and the United States at the high-level ROK-U.S.-Japanese working talks slated for January 1996.

North Suspected of Smuggling 'High-Tech' Devices

SK2512022095 Seoul YONHAP in English 0040 GMT 25 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 25 (YONHAP) — North Korea is suspected of operating an industrial spy ring to smuggle high- tech industrial devices from Japan to the communist country, a Japanese newspaper reported Monday [25 December].

The SANKEI SHIMBUN, citing a source close to Japan-North Korea relations, said businesses run by pro-Pyongyang Korean residents in Japan provide footholds for North Korea's industrial espionage activities in Japan.

Called "Kwaki" or an acronym of Kwahak Kisul (science and technology), the spy ring is suspected of training pro-Pyongyang Korean engineers in Japan and arranging their return to North Korea, collecting high-tech industrial information for Pyongyang and shipping such commercial equipment that can be modified for military use by the stalinist state, the conservative daily said.

Comprised of graduates from engineering and science colleges of noted universities across Japan, the Kwaki group is under the umbrella of the association of Korean scientists and engineers in Japan. Formed in 1975, Kwaki is a component of Chochongnyon, the pro-Pyongyang federation of ethnic Koreans residing in Japan, the newspaper reported.

Seoul 'Keenly' Watching DPRK Army's Moves

SK2712041995 Seoul HANGUK ILBO in Korean 26 Dec 95 p 2

[Article by reporter Son Tae-kyu]

[FBIS Translated Text] In connection with the North Korean Army's recent unusual moves, the Defense Ministry said on 25 December: "No signs indicate that an outbreak of war is imminent, but we are keenly watching the North Korean Army's moves by mobilizing all available intelligence facilities and equipment and maintaining a perfect posture against such moves."

The ministry said: The North Korean Army's unusual moves, including the deployment of its airplanes in forward positions, are only 10 cases out of about 200 indicators of a war. Therefore, it is not a situation of grave concern. However, the intelligence surveillance posture has been enhanced to the level of WATCHCON 3 to cope with North Korea's possible provocations in limited areas, and a firm security posture has been maintained since 1 December.

The ministry said that the military leadership in the ROK and the United States have been exchanging a good deal of intelligence and views on the North Korean Army's moves and that the ROK and the United States have the combined military capabilities to fully cope with any situation.

'Enhanced Role' of North Korean Army Viewed

SK2712070495 Seoul CHUNGANG ILBO in Korean 26 Dec 95 p 4

[Editorial: "North Korean Army's Enhanced Role Draws Attention"]

[FBIS Summary] Recent reports on the North Korean situation at home and abroad all differ. We are made uneasy hearing rumors of unusual moves in North Korea, such as internal confusion caused by the food shortage, the forward deployment of North Korean military troops, and frequent military exercises, rather than legitimate intelligence reports on the North Korean situation.

Some analytical reports talk of "the possibility for North Korea to trigger a military provocation against South Korea" while others stress "unusual, but not serious, moves in North Korea."

Our national defense authorities and the U.S. Government have said several times that it is highly unlikely that North Korea will trigger provocations in the immediate future, but nevertheless, reports alleging a crisis on the Korean peninsula have not abated.

In particular, our attention is drawn to the fact that "such allegations of crisis have been closely linked with the moves of the North Korean military since the death of Kim Il-song." North Korea has always attached importance to its military. North Korea's military role has been promoted at an unprecedented level, and its role, has grown sharply. Such a phenomenon is very serious as military men occupy higher ranks in power hierarchy, and all military organs come under the National Defense Committee, whose chairman is Kim Chong-il. North Korea's border garrison which used to be under the control of the Minitry of National Security Defense has come under the control of the Ministry of People's Armed Forces. "This can be interpreted as an effort to consolidate the armed forces under a single chain of command."

The report that the North Korean Army has gone so far as to take charge of public peace and security, indicates a promotion in the North Korean Army's position and role. Therefore, we should pay "keen attention and remain vigilant towards all moves developing in North Korea today."

'Emergence of North Korea's New Military' Viewed

SK2712150795 Seoul CHOSON ILBO in Korean 27 Dec 95 p 3

[Editorial: "The Emergence of North Korea's New Military"]

[FBIS Translated Text] Kim Chong-il was not present at the commemorative ceremony to mark the fourth anniversary of his election as supreme commander of the military. Kang Song-san, premier of the Administration Council, was not present as well. Vice President Kim Yong-chu, who was the focus of attention because he had returned to the top seat when Kim Il-song passed away, was also absent. In this connection, there is only speculation that they were not present due to health reasons or because there has been a change in the power structure. An exact reason for their absence has not been revealed. Since North Korea cannot continue to be ruled by the teachings of the departed forever, the work of molding Kim Chong-il's charisma is important. However, opportunities to do so have been continuously abandoned.

On the other hand, the emergence of the military is becoming clear. The active role of Minister of the People's Armed Forces Choe Kwang began to show itself after the first anniversary of Kim Il-song's death. During the ceremony to celebrate the 50th anniversary of the party founding, and this time as well, Choe Kwang occupied a seat preceding that of Foreign Minister Kim Yong-nam. When considering that Kim Yong-nam read the eulogy at Kim Il-song's funeral, we can speculate that the party and government are being pushed aside by the military.

Nevertheless, Choe Kwang's position does not seem solid. Just like the two Vice Presidents Yi Chong-ok and Pak Song-chol, there is a deep impression that Choe Kwang is being supported by influential military people of the young generation. The military's vice marshal group has risen to a position situated between the alternate members of the party Political Bureau and secretaries of the Central Committee. This can by no means be viewed lightly. In particular, it is significant that the three vice marshals — Cho Myong-nok, who took up the post of director of the General Political Department of the military; Kim Yong-chun, who became chief of the General Staff; and Kim Kwang-chin, who was appointed first vice minister of the People's Armed Forces, in October — occupied ranks preceding their elder vice marshals.

When viewing such changes, we cannot but examine what Kim Chong-il's position is. It is important to view whether there is truly no change in Kim Chong-il's succession system, and if so, which military group he is emphasizing. Kim Chong-il, who does not make speeches, emphasized in a press statement through NODONG SINMUN that "respecting the revolutionary elders is a lofty moral obligation of the revolutionaries," and strongly criticized reformers and ideological revisionists. We must indeed observe how this is related to power reorganizations.

In particular, what must also be closely observed is the information that North Korea is dispatching military assets closer to the armistice line, as well as the emergence of its new military. Even though the United States has offered information on North Korea's military behavior noted above, we must bear in mind that this is a remark being made based on what is in the interests of the United States.

Russian Daily: North Reformist-Hardliner Conflict

SK2712090295 Seoul HANGUK ILBO in Korean 27 Dec 95 p 2

[Report by Moscow correspondent Yi Chin-hui]

[FBIS Translated Text] The Russian daily SEGODNYA on 26 December reported that North Korean Kim Chong-il's recent fierce criticism of reformists reveals the existence of conflict between reformists and hardliners within North Korea.

The paper said that because of the flooding during the summer, North Korea is in the worst condition, its residents being in a state of starvation. Therefore, conflict is being witnessed within North Korea between the reformists and forces calling for war to solve the problem.

The paper explained that complaints are proliferating even within the military, which has traditionally been a loyal force, and the complaints, though cautious as yet, are manifest in the form of a demand that "some reform" is necessary.

Imports of Various Secondhand Items Banned

SK2412021995 Seoul THE KOREA TIMES in English 24 Dec 95 p 8

[Report by staff reporter No Chun-hun]

[FBIS Transcribed Text] A ban on the import of second hand items will be lifted for all but 300 kinds of goods on Jan. 1, 1996, the Ministry of Trade, Industry and Energy [MOTIE] said yesterday.

Among the 300 used industrial products to continue to be on the import ban list are excavators, automobiles, organs, large color television sets and some of general machinery, MOTIE officials said. They said the general policy on second hand items will be to allow everything in except for specially designated items, rather than to disallow them in principle.

Until now most used items were subject to strict regulations but the new system will allow companies access to cheaper imports for added competitiveness. The list of prohibited items will basically include all the 162 goods which are banned from Japan under the nation's import source diversification system.

The new system will mean that out of the 11,000 items that can be imported new, all will be importable second hand except for some 3 percent.

"The government has been limiting imports of second hand general machinery and other delicate items in which international competitiveness is still lacking," one MOTIE official said. However, with the introduction of the World Trade Organization (WTO), and the increasing trend to free trade, the government is now liberalizing imports of second hand goods.

"On one hand, there has been considerable resistance to the import of second hand goods by manufacturers, worried about the impact it will have on their sales " the MOTIE official said. However manufacturing companies are increasingly looking to cut production costs, and this requires the deployment of general machinery and equipment at competitive prices.

"The truth is that expensive manufacturing equipment has thus far been imported from countries like Japan, with which Korea has a severe trade deficit, and permitting second hand items in makes business sense," one company official observed.

Parties Make Preparations for Apr 1996 Elections

SK2312033895 Seoul THE KOREA TIMES in English 23 Dec 95 p 2

[By staff reporter Pak Sung-yong]

[FBIS Transcribed Text] With the current National Assembly term nearing to an end, the nation's ruling and opposition parties have started full-fledged preparations for the general elections scheduled for next April.

Each party is busy now screening possible candidates for the polls and revamping their local organizations.

The ruling New Korea Party [NKP], which is looking for reform-minded and fresh candidates, is setting its priority on emerging as the winner in the elections.

Rep. Kang Sam-chae, secretary-general of the NKP, said on Wednesday that the party will also consider the electoral chances of candidates in selecting them.

The ruling party will take its preparations up another notch by establishing an executive-level task force next week.

It will also convene a high-level meeting attended by party and government officials including Prime Minister Yi Su-song and party Chairman Kim Yun-hwan to discuss overall election strategies.

The NKP plans to finish its nomination of candidates by Jan. 20 and hold a national convention to firm up party unity to win the elections, which are regarded as a weather vane for the 1997 presidential poll.

The party is reportedly asking those replaced in Wednesday's Cabinet reshuffle to run in an apparent attempt to boost its chances of winning the elections.

They include former Finance-Economy Minister Hong Chae-hyong, Chief Presidential Secretary Han Sung-su, Construction Minister O Myong, economic presidential aide Han I-hun and Hong In-kil, presidential secretary for general affairs.

Hong, replaced by former Unification Minister Na Ung-pae, is expected to run in an electoral district in Chongju, Chungchong-pukto, Han in Chunchon, Kangwon-to and O in Kwachon, Kyonggi-to.

Former Presidential Secretaries Han and Hong will reportedly run in Pusan electoral precincts.

The main opposition National Congress for New Politics [NCNP] sees the coming general elections as a stepping-stone for the victory of its leader and presidential hopeful Kim Tae-chung in the 1997 presidential election.

So, the party is working feverishly to become the majority party by winning more than 100 seats. "If we don't win the 100 seats, the chance of coming to power will be slim," a party official said.

For the party to win more than 100 Assembly seats is possible only if it sweeps Cholla areas, Kim Tae-chung's traditional power base, and makes a strong showing in Seoul and its suburbs.

For this, Kim is considering running in the elections to focus on barnstorming in strategic areas.

The NCNP plans to make issues of President Kim Yong-sam's alleged connection with the slush fund of his immediate predecessor No Tae-u, the issue of appointment of "politically neutral" prosecutors to probe the 1979 military mutiny and 1980 Kwangju massacre, and the bankruptcy of small and medium businesses.

The minor opposition Democratic Party [DP], which recently merged with a dissident group, will focus its energy on rallying anti-three-Kim forces under its flag.

For this, the DP plans to recruit as many fresh figures as possible. On the other hand, it will form the so-called "clean belt" linking Seoul and its surrounding Kyonggi-to area to impress the, populace that the DP is clean unlike other parties which it said are drenched in "dirty" money.

Rep. Pak Kye-tong, who touched off the No Tae-u slush fund scandal by revealing the existence of one of No's secret bank accounts, Yi Chol, Won Hye-yong and Chae Chung-ku, all of whom are known for their freshness and moral integrity, will take a leading role in promoting the "clean belt" zone.

The splinter opposition United Liberal Democrats [ULD] thinks its future lies in whether or not it can win the hearts of silent conservatives.

A party official said the ULD's opposition to the now-enacted special law for indicting former Presidents Chon Tu-hwan and No on insurrection charges is part of its strategy to woo the nation's conservatives.

The conservative party plans to finish the ongoing work of reorganizing its local branches by the end of this year.

Vowing to sweep Chungchong-to, Kim Chong-pil's traditional stronghold the party is trying its best to highlight its image as "the only political force that can attain both political stability and economic progress."

Opposition Lawmakers Protest Investigation

SK2312034595 Seoul YONHAP in English
0259 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Senior officials of the main opposition National Congress for New Politics (NCNP) visited the office of Prime Minister Yi Su-song Saturday to protest the prosecution's investigation of Rep. Kim Pyong-o (NCNP).

They claimed that the investigation is an abuse of the prosecution's authority and its purpose is to suppress NCNP lawmakers.

Earlier in the day, the NCNP held a meeting to discuss possible countermeasures to the investigation, and decided to urge the ruling New Korea Party to make a full disclosure of 1992 presidential campaign fund sources, and appoint a special (independent) prosecutor to investigate the 1979 coup and 1980 Kwangju massacre.

Vice Spokesman Sol Hun said, "The prosecution, while ignoring a serious investigation of former lawmaker Yi Won-choe, Rep. Kum Chin-ho and former Finance Minister Yi Yong-man, is oppressing NCNP members only."

New Vice Foreign Minister Yi Profiled

SK2312050995 Seoul YONHAP in English
0436 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Ambassador for International Economic and Trade Affairs Yi Ki-chu was appointed vice foreign minister Saturday.

Yi is a graduate of Seoul National University Law School and served as deputy foreign minister for economic affairs from 1989 to 1992. Yi has also been an ambassador to both Ireland and Italy and minister at the South Korean Embassy in Tokyo.

Born in 1936, the new vice foreign minister was director general of the Foreign Ministry's International Economic Affairs Bureau between 1980 and 1982 and counsellor at the Korean permanent observer mission to the European office of the United Nations and permanent delegation to international organizations in Geneva, Switzerland, between 1977 and 1980.

Yi also studied at the Sophia University graduate school in Tokyo in 1974.

Yi studied at Pusan's Kyongnam High School, alma mater of President Kim Yong-sam.

Yi is the first career diplomat specialist in trade and international economic affairs to become vice foreign minister.

Ruling Party Leadership Issue 'Flaring Up Again'

SK2412024995 Seoul THE KOREA HERALD in English 24 Dec 95 p 2

[FBIS Transcribed Text] The controversy over who should lead the ruling New Korea Party is flaring up again. It is expected to continue until mid-January when the ruling party is scheduled to hold a national congress.

It appeared the dispute was resolved when President Kim Yong-sam persuaded Rep. Kim Yun-hwan, chairman of the party, to remain as the No. 2 man in the party's hierarchy Dec. 5. Kim withdrew his offer to resign.

Before they met, pressure had been mounting on Chairman Kim, who also heads an old-guard faction in the party, to resign. The pressure had been coming from the other faction of lawmakers loyal to President Kim.

After regaining President Kim's confidence, Chairman Kim fired Yi Yong-hui, head of the party's think tank, the Yoido Institute, who had spearheaded the faction's attack on the chairman.

Yi had told a news weekly that no man linked to former Presidents Chon Tu-Hwan and No Tae-u, who have been indicted on mutiny and corruption charges, should lead the ruling New Korea Party.

Now, Yi is renewing his attack on Chairman Kim.

On Friday, he told a group of student activists-turned politicians and others in leadership positions that President Kim should fire Chairman Kim. The group is headed by Rep. Kim Tok- yong, a leading member of President Kim's reform-minded faction in the party.

Yi took issue with remarks made by Chairman Kim, who recently told a monthly magazine that the ruling New Korea Party may not win a majority of National Assembly seats in the general elections scheduled for next April.

He also attacked Chairman Kim's remarks on a possible amendment to the Constitution, which could change the single five-year presidential term to two four-year terms or the presidential system of government to a cabinet system.

"The constitutional revision promoted by some (lawmakers) in favor of a cabinet system would intensify regional rivalry and usher in plutocracy. It could even pave the way for former Presidents Chon and No to exercise political influence," he said.

Yi made these remarks after Kim Kwang-il, presidential chief of staff, said Thursday that the ruling party needs a sweeping reshuffle of officeholders.

Now, Chairman Kim is launching a counterattack against Yi and the presidential chief of staff.

The chief secretary to Chairman Kim, Yun Won-chung, said yesterday that the chairman is seeking support from "stable conservative and middle-class voters" for the party.

"How could this government survive if they try to paint Chairman Kim as a leader of the old guard?" he said. "There are few ruling parties in the world that are not supported by stable, conservative and middle-class voters."

Yun criticized Yi and others as "pencil pushers" who do not know the minds of voters.

He also defended Chairman Kim's remarks that the ruling party may not win a majority of parliamentary seats in the next general elections.

"Is there any ruling party that does not want to win more than half the parliamentary seats?" he said. "But it is realistic to say we may not win so many seats."

With the two factions bickering over election strategies, President Kim will soon have to make a decision whether it will endorse Chairman Kim again as the man to pull the party through the elections or give the job to another man.

Chong's Departure From Ruling Party Analyzed

SK2412021895 Seoul THE KOREA TIMES in English 24 Dec 95 p 2

[Article by staff reporter Pak Sung-yong]

[FBIS Transcribed Text] The ruling New Korea Party [NKP] is now abuzz with rumors that those close to the past military regimes may leave the party en masse, following Rep. Chong Ho-yong who quit the party Friday.

Chong made it clear he was leaving the party in protest against the party's move to cut its ties with the past governments led by ex-Presidents Chon Tu-hwan and No Tae-u, his military academy colleagues.

Chon and No were indicted Thursday on charges of heading the 1979 military mutiny and will face insurrection charges in connection with the coup and the subsequent 1980 Kwangju massacre under a special law in whose enactment the party played a leading role.

"I feel there is too large a gap between the ruling party and myself on views of history and policy," the general-turned-lawmaker told a news conference at his office in Taegu.

"As a man also subject to judicial proceedings under the so- called May 18 special law, I must leave the NKP because if I stay, it could give the false impression that I want to curry favor with the ruling party," he added.

Chong was a core member of the military junta led by Chon, who was taken to the National Police Hospital on Thursday because of fears about his health prompted by his 18-day hunger protest in his prison cell.

He hinted that he would run for the April general elections independently, saying, "I think I will have to fight to the end by myself against unfair punishment for my involvement in the two incidents."

Meanwhile, Rep. Chong Sun-tok, who served as secretary-general of the ruling party under Chon and No, announced yesterday that he would not seek reelection in the next assembly polls.

Chong has been reportedly considering political retirement as President Kim Yong-sam's drive to straighten history is becoming what seems to him to be the punishment of the members of past governments as a whole.

Prosecutors' asking him how much former president No funneled out of his slush fund into the ruling party might also have prompted him to resolve to retire for good, said party officials close to him.

Some observers said the two lawmakers' move may prompt the other lawmakers having links with Chon and No to consider following suit.

Referred to as highly likely bolters are Reps. Ho Hwa-pyong and Ho Sam-su, who were directly involved in the coup and the massacre, and Reps. Kum Chin-ho, No's brother-in-law, and Kim Sang-ku, Chon's brother-in-law, and Choe Chae-uk who once worked as Chon's spokesman.

Along with them, several lawmakers from Taegu and the surrounding Kyongsang-pukto area who opposed the NKP's enactment of the special law are also highly likely to follow the suit of the two Chongs.

However, no signs of such action have yet been detected, although a close aide to Chong Ho-yong, who is also from Taegu, said that Chong met a lot of sympathizers before announcing he was bolting the NKP.

Other observers said it is too early to expect them to leave the party in protest at President Kim Yong-sam's drive to liquidate the influences of the past regimes.

Under the current circumstances where prosecutors have reportedly just started their investigation into "corrupt" politicians, they cannot move easily, the observers said.

A conservative lawmaker said "President Kim's clean-up drive has backed us into a corner. So we have to think things over for now."

But observers agreed that their course of action will become clear by Jan. 20 when the ruling NKP finishes nominating its candidates for the April general elections.

Swiss Bank 'Source' of No So-yong's U.S. Money

SK2312101995 Seoul YONHAP in English
1015 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — The prosecution has confirmed that the 192,000 dollars former President No Tae-u's daughter had illegally brought into the United States and stashed away in 11 Californian banks in February 1990 came from a certain bank in Switzerland.

A prosecution official said Saturday, "I understand the money Mr. No gave his daughter had been withdrawn from a bank in a Swiss city other than Zurich or Geneva."

No's daughter, So-yong, admitted during her interrogation earlier in the week that her father gave her the money in December 1989 when he dropped in on her in Seattle on his way home from Europe.

The prosecution is investigating, in cooperation with Swiss authorities, into whether the former president holds Swiss bank accounts for hiding part of the slush funds he raised while in office from 1988 to 1993.

A Swiss bank's bill wrappers found in No So-yong's car in Seattle are considered to provide a clue to the source of the money she deposited in 11 Californian banks.

If she is found to have illegally taken the money to the United States from Seoul, she would be convicted of a capital flight crime subject to a prison term of more than one year or a fine of two to 10 times the amount of the money illegally taken away from the country.

Political Parties 'Welcome' Chon's Indictment

SK2312010395 Seoul HANGUK ILBO in Korean 22 Dec 95 p 4

[Report by Sin Hyo-sop]

[FBIS Summary] Both ruling and opposition parties unanimously welcome the prosecution's indictment of Chon Tu-hwan. The New Korea Party [NKP] says Chon's indictment is "another important step in correcting history." NKP spokesman Son Hak-kyu described it as "a measure to correct history by punishing the acts for breaking military discipline and the democratic constitutional government." He also "denounced Chon for 'begging for the people's sympathy by fasting.'"

Cho Se-hyong, vice president of the National Congress for New Politics said: "Chon deserves to be indicted in light of his crimes." He added: "In order to completely reveal the truth of the 18 May incident, however, its investigation must be conducted by a special prosecutor." He then urged Chon to stop fasting, saying that "his hospitalization following an unjustifiable fast is a shameful treachery to the people."

The Democratic Party [DP] welcomed the prosecution's indictment of Chon, saying "we should consider it a historic turning point in the practice of punishing military rebellions and inhuman crimes." With regard to Chon's hospitalization, the DP said he "should immediately stop fasting if he is willing to accept the stern trial by the people and history." The DP also urged the prosecution to "arrest all those involved in the military rebellion and high treason, as soon as possible."

The United Liberal Democrats showed "a double-faced attitude" by positively assessing Chon's indictment while avoiding any comment on his hospitalization, thus appearing to take on a "sympathetic attitude" toward conservatives.

Chon's Side Prepares Indictment 'Countermeasures'

SK2312031895 Seoul KYONGHYANG SINMUN in Korean 22 Dec 95 p 5

[FBIS Summary] Those close to Chon Tu-hwan have set out about preparing "full-fledged countermeasures" for the prosecution's indictment of Chon, focusing on "working-level preparations for an offensive and defensive battle at court, as well as for filing a lawsuit against the legislation of 18 May special law, an alleged violation of the Constitution." Meanwhile, even after being taken to the hospital, Chon continues to fast, refusing intravenous feeding.

Chon's attorney told reporters on 21 December that "Chon's indictment was not upsetting, but 'merely a routine step by the prosecution, which had been expected since his arrest.'" He was assured that "'even if former President Chon is not able to appear in court, there will be no difficulty in unveiling the truth because there are other persons concerned and witnesses.'" That is, he was stressing "the truth that there was no scenario set before Chon grasped power will be evinced." He also said: "'As I understand it, the accused for the 18 May incident held a meeting on 20 December and agreed to file a petition to the Constitutional Court.'" He added: "'We will file it as soon as possible, upon the completion of preparatory work.'" It is likely that the petition will be filed late January next year, based on Chon's side's allegation on "the illegal enactment procedures of the 18 May special law."

Chon Tu-hwan Continues Fast in Seoul Hospital

SK2312034295 Seoul THE KOREA TIMES in English 23 Dec 95 p 3

[FBIS Transcribed Text] Former President Chon Tu-hwan entered the 20th day of his fast yesterday, despite being hospitalized for malnutrition at the National Police Hospital in Karak-tong, southern Seoul. Chon refused to take Ringer's solution and gruel, sticking to barley tea, according to the hospital.

Chon started his fast after being imprisoned at Anyang Prison, south of Seoul, for masterminding the 1979 military mutiny. He was formally indicted on the charges, Thursday. The 64-year-old former president is showing symptoms of dehydration, but is otherwise in decent health according to doctors who examined him.

As he refused to eat, the hospital is giving him water mixed with electrolyte and grape sugar. Doctors are considering force feeding him if his condition takes a turn for the worse.

He is also refusing to talk, apparently showing his displeasure with being moved to the hospital. Chon was earlier quoted by his son Chae-yong as saying that he is ready to die in prison to defend his cause.

One day before being arrested in his hometown of Hapchon, Kyongsang-namdo, the former president issued a statement sharply denouncing the legal action by the prosecution against him as "political retaliation."

Meanwhile, about 40 students from Kyongwon University, attending a wake for an activist friend, criticized the special treatment being given Chon.

Health 'Normal' Despite Fast

SK2312050795 Seoul YONHAP in English 0432 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Former President Chon Tu-hwan, who has been in the national police hospital for three days, is still showing no sign of ending his fast. He has refused to eat thin rice gruel and will not allow himself to be fed intravenously in spite of his family's pleas.

Chon has not eaten since Dec. 3, when he was first taken to Anyang Detention Center.

But his health is normal, hospital officials said, adding that Chon went to bed at 8:10 PM Thursday and woke up at 6:00 AM. The ex-president is spending time reading Buddhist books and newspapers.

In the beginning Chon expressed his displeasure by refusing to speak, but his demeanor has changed for the better.

"At present we don't plan any medical treatment other than the supply of electrolyte-mixed barley tea," the officials said. If Chon's hunger-strike continues, however, they might take special steps after consultations with the Justice Ministry, insinuating a coercive food infusion, the sources added.

Some 500 policemen are currently guarding the hospital in case student, citizen, or civic organizations demonstrate, but there has yet to be any disturbance. In the beginning there were 1,000 policemen stationed there.

Chon Tu-hwan Questioned at Police Hospital

SK2412021695 Seoul YONHAP in English 0057 GMT 24 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 24 (YONHAP) — The prosecution questioned former President Chon Tu-hwan, who had been hospitalized while in jail, for the seventh time on Saturday evening.

Prosecutors Kim Song-ho and Hong Man-pyo questioned Chon at the the National Police Hospital about the allegation that he raised a huge amount of slush funds while in office as president.

Chon, who has fasted for three weeks since his arrest on Dec. 3, was hospitalized a few days ago. Chon, who allegedly led the Dec. 12 coup d'etat in 1979 and May 18 bloody crackdown of Kwangju democratization movement in 1980, was recently indicted for rebellion and other charges.

Accounts Used To Launder Chon's Funds Identified

SK2412023495 Seoul THE KOREA TIMES in English 24 Dec 95 p 3

[FBIS Transcribed Text] Former President Chon Tu-hwan is suspected of stashing away a huge slush fund and laundering it like his disgraced successor No Tae-u, who has been indicted on corruption charges, according to investigators at the Seoul District Prosecutor's Office yesterday.

Tens of billions of won deposited under assumed names were transferred to the accounts of his brother-in-law Yi Chang-sok, right after the introduction of the real name financial transaction system in August, 1993, the investigators said.

In the close scrutiny of 183 assumed-name bank accounts, prosecutors have identified five more which were used to launder money, they said.

After indicting the former president on mutiny charges last week, the special investigation team at the district prosecutor's office has been targeting the funds allegedly collected by him during his 1980-1988 tenure through illegal means.

They believe the slush fund raised by Chon while in office to amount to some 300 billion won.

The money scattered through borrowed bank accounts has since made its way to accounts recently established in the names of in-laws and relatives of Chon, they said.

On Nov. 29 this year, 179 million won in a Shinhan Bank account and 4 million won in an account at a state-run financial institution were withdrawn by an aide of Chon and deposited at a Hanil Securities branch, they said.

The next day, hundreds of millions of won made their way from the Hanil Bank branch to another account at the bank in an apparent attempt at money laundering.

To remove fingerprints, bonds, securities and certificates of deposit have been used, the sources said.

The prosecutors have obtained proof a Chon slush fund existed in their interrogation of Kim Chong-sang, a former accountant at the presidential security service, who has reportedly confessed to his role in managing part of the secret fund.

The district prosecutor's office is now closely looking into other records of borrowed name bank accounts handed over by the Office of Bank Supervision.

The fund collected by Chon through irregular means while in office is estimated to be as big as that his successor No Tae-u admitted to having raised, according to the sources.

Chon is also being suspected of funneling part of the fund into real estate.

Yi Chong-chan, senior prosecutor heading the investigation into the 1979 mutiny and 1980 coup, revealed that the prosecutors have discovered vast amounts of real estate which is suspected to belong to Chon but is registered in the names of his relatives and in-laws.

Prosecution Still Questioning Kwangju Suspects

SK2312034495 Seoul YONHAP in English
0233 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Two more people suspected to have been involved in the brutal suppression of the 1980 Kwangju uprising were summoned for questioning Saturday morning.

Yun Hung-chong, former commander of the Army Doctrine and Training Command and head of the South and North Cholla Province Martial Law Office, was questioned primarily about why he was relieved of duty at the height of the uprising, and also about the chain of command for the three airborne brigades mobilized for action in Kwangju.

Former Deputy Prime Minister Yi Han-pin and two others are due to be questioned later today.

Yi will be questioned about the circumstances that led to a special cabinet decision to follow the advice of former Gen. Chon Tu-hwan and other military leaders, by declaring martial law.

Choe Sung-taek former intelligence officer for the Joint Chiefs of Staff will be questioned Saturday afternoon about the basis of his claim at a major commanders meeting that a "threat from North Korea" necessitated a declaration of martial law.

Meanwhile, the prosecution has requested that the Foreign Ministry not re-issue passports to Pak Hi-to, former commander of the First Airborne Brigade, and Chang Ki-o, former commander of the 5th Airborne Brigade. These two former generals were involved in the December 12 incident, but are yet to return from their overseas trips.

Sampung Department Store Owner, Others Sentenced

SK2712051695 Seoul YONHAP in English
0257 GMT 27 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 27 (YONHAP) — Sampung Department Chairman Yi Chun was sentenced to 10 and a half years in prison Wednesday by the Seoul District Court for his role in the store's tragic collapse June 29.

Two former Socho Ward Chiefs Yi Chung-u and Hwang Chol-min were sentenced to prison terms of three years and two and a half years, respectively, as they were found guilty of receiving bribes from the department store's chairman while in office.

Meanwhile, the chairman's son and Sampung president Yi Han-sang each received seven years in jail for embezzlement and accidental homicide.

The former ward chiefs were found guilty of receiving more than 10 million won in kickbacks each from the Sampung chairman in return for their approval of the department store's design change and temporary use of the poorly-built structure before its formal dedication.

About 650 people were killed and hundreds of others injured when the posh department store in southern Seoul collapsed.

Opposition Lawmaker Questioned About Funds

SK2212013695 Seoul YONHAP in English
0108 GMT 22 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 22 (YONHAP) — The prosecution summoned an opposition lawmaker Thursday and questioned him all night about allegations that he received money from a ward chief candidate.

A prosecution official said Rep. Kim Pyong-o of the main opposition National Congress for New Politics (NCNP) allegedly received 50 million won (about 64,850 U.S. dollars) from incumbent Kuro Ward Chief Pak Won-chol, 62, who was then preparing to run for reelection.

Rep. Kim was released Friday morning.

Rep. Kim received the money in return for his promise to help Pak in his bid to be nominated as the official NCNP candidate, the official said.

The prosecution had questioned Pak on Dec. 20.

The prosecution plans to take legal action Friday against Rep. Kim and Pak on a charges of violating the political fund law.

The NCNP, however, asserted that the money Pak gave Rep. Kim, was a "party fee," and that Rep. Kim spent all the money for party activities.

Poll: Majority See Themselves as 'Reform-Minded'

SK2312123595 Seoul YONHAP in English
1231 GMT 23 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 23 (YONHAP) — Six out of every 10 South Korean adults think they are reform-minded, indicating that 60 percent of the voters support President Kim Yong- sam's reform policy, according to a recent telephone poll.

The poll, conducted by Korea Research by calling 1,005 men and women aged 20 and above across the nation Dec. 11 and 12 at the Information Ministry's request, showed that 17 percent of the respondents called themselves middle-of-the-roaders, while 15 identified themselves as conservatives.

Asked about the biggest problem facing the nation's politics, 36 percent cited corruption stemming from politics-business collusion, 18 percent people's indifference to and distrust of politics, 14 percent regional rivalry and 13 percent political strife based on partisan interest.

Asked if they would join a political party and contribute to its expenditure, 47 percent said "no," while 36 percent replied "yes."

Supreme Court 'No Work, No Pay' Ruling Viewed

SK2312051395 Seoul THE KOREA TIMES in English 23 Dec 95 p 8

[By staff reporter No Chun-hon]

[FBIS Transcribed Text] Thursday's ruling by the Supreme Court that no work performed during labor strikes merits no payment is certain to bring about drastic changes in even the most basic labor-management relationships.

The ruling on the "no work, no pay" principle is decidedly in favor of management but is also clearly along the line that the government has been pursuing for years without being able to enforce it in any substantive way.

Compounded with a decision by the Ministry of Finance and Economy [MOFE] Wednesday to cut the number of permanent labor representatives at state-run companies, the issue itself could once again turn into a point of severe contention.

Management sources said labor disputes often result in heavy economic losses for companies, and it is only fair workers be prepared to make some form of financial sacrifice for their causes. In fact, the latest Supreme Court ruling hit a nerve since it had set a standard in 1992 saying that workers should be given payment for basic living requirements, even if they engage in strikes.

On Thursday, the court turned the whole thing around, saying that wages are paid against work performed by employees, and that their reluctance to engage in productive work leaves companies with no financial obligations.

"Basically, it could work two ways. It could encourage unions to refrain from unnecessary and financially costly disputes. On the other hand, it could get workers to take a radical line," one senior company official said.

Under a more likely scenario, the full adoption of the "no work, no pay" principle will make it desirable for both labor and management to work out their differences in a cordial and cost- effective manner.

In actuality, the official said the Supreme Court ruling is nothing out of the ordinary, and it is in line with international practices. "What has been out of the ordinary is that companies often opted to provide payments for no work in an effort to bring about a greater sense of co-existence."

In the past, companies adamantly argued their position for the "no work, no pay" principle, only to turn around later and offer bonuses and other forms of payments to cover the losses incurred by workers.

The Supreme Court ruling in this regard could launch a new order in labor-management ties, riding on the newfound edge of forcing workers to be more financially responsible for their actions.

"For one thing, many union workers are going to think twice before,joining forces and going on strike. A youngster without family obligations will be more prone to striking while others with children to feed will take a more conservative approach, thus threatening union solidarity, which is perhaps the most critical aspect of the labor movement," one industry expert noted. Further disrupting the big picture is the MOFE's decision to cut the number of permanent labor representatives, responsible only for union activities, at 19 state-run companies from the current 291 to 130 next year.

Companies affected by the new rule include Korea Electric Power Corporation and Korea Telecom, which until recently was embroiled in a severe dispute that lasted nearly a year.

Should large private companies also decide to follow the path to smaller union representative bodies, the issue could flare into another round of nationwide conflict threatening hard-earned labor peace.

Ministries Reach Agreement on Fisheries Manpower

SK2312034795 Seoul THE KOREA TIMES in English 23 Dec 95 p 8

[FBIS Transcribed Text] The National Fisheries Administration, in a bid to help solve the chronic shortage of manpower in the inshore fisheries industry, is moving on a scheme to bring in foreign fishermen to work on fishing boats.

The administration said that related ministries like Ministry of Labor and Justice have reached agreement on the scheme. Working-level officials are discussing details of ways to prevent migrant fishermen deserting their ships.

Regulations on the employment of foreign sailors are expected to be ready early in the New Year and foreigners will be permitted on some domestic fishing ships sometime next March in the initial stages of the scheme, an administration official said.

The number of the foreign fishermen and the fishing boats on which they will be able to work will be expanded year by year, he added.

Now Korean 10-ton-class-and-over domestic fishing boats are able to employ 50,000 fishermen. But the current fishing-labor force is only 10,000, or 20 percent of this.

In addition, most fishermen are in their 50s or older, cutting fishing productivity.

Cambodia

Ing Kiet on Vietnamese Bridge Over Mekong River

BK2312124795 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 23 Dec 95 pp 1, 4

[Report by Kamrang]

[FBIS Translated Text] Vietnam is free to build any bridge across the Mekong River in its territory to benefit the Vietnamese people, but the construction should not affect the interests of its neighbor whose vessels also travel along the river.

Ing Kiet, deputy prime minister and minister of public works and transport, said in a recent interview with a group of reporters that he had vehemently opposed, as did some European countries, the construction by Vietnam of a drawbridge across the Mekong River. The opposition that he had voiced as one of the users of Mekong River had already been agreed to by Vietnam.

Ing Kiet added that in order to save money, at first Vietnam planned to build a bridge across the river that was not high enough. The original bridge was to be only 34-35 meters high and was equipped with an opening and closing mechanism. The construction of the drawbridge, he added, would not do Cambodia any good, as it is located in the lower part of the Mekong River. Most of the time, the bridge owner could use numerous excuses, such as technical reasons or dangers encountered by those responsible for the bridge, to create difficulties. Therefore, to avoid the problems, we have asked the Vietnamese to build a 37.5 meters high bridge. The bridge's height also conforms with international standards. Concretely, a bridge with that height, regardless of the water levels in the rainy or dry season, will allow all types of ships to pass through without difficulties.

The deputy prime minister went on to say that after accepting our request, Vietnam is now seeking additional financial aid for the construction of the bridge.

The bridge will be 1,000 meters long but Ing Kiet did not specify the cost of its construction.

Government Faces 'Severe Shortages' of Supplies

BK2612093895 Hong Kong AFP in English 0920 GMT 26 Dec 95

[FBIS Transcribed Text] Battambang, Cambodia, Dec 26 (AFP) — Government troops preparing for an expected large-scale offensive against Khmer Rouge guerrillas near this northwest provincial capital said Tuesday they face severe shortages of food, medicine, ammunition and other supplies.

"We do not have enough artillery and we need more ammunition to fight the Khmer Rouge," said Sok Phol, the deputy commander in charge of logistics for Military Region Five, which includes Battambang, Banteay Meanchey and Pursat provinces.

Seven new T-55 tanks have been delivered to battalions on the outskirts of Battambang town, but insufficient fuel has arrived to use the tanks, according to one tank commander.

Five kilometers (three miles) from the government's front-line position at the hamlet of Treng, located about 43 kilometers (26 miles) southwest of Battambang town, one company commander said all of his men were suffering from malaria, but had no protective mosquito nets or medicine to treat the disease.

Nevertheless, the government is expected soon to launch its annual dry-season offensive against the rebels as roads and the terrain dry out enough to allow passage of heavy equipment.

Military analysts and others familiar with the government's plans expect the Royal Cambodian Armed Forces (RCAF) to begin its offensive by the end of January and push toward the Khmer Rouge economic stronghold of Pailin near the Thai border.

"The build-up for an offensive has definitely begun, but whether the RCAF will be adequately supplied is always unknown," said one analyst. "They have had these problems in the past, but we're aware of concerted efforts to fix them."

As of Tuesday, however, the situation did not appear to have changed.

"We are lacking many things," Sok Phol said, noting that many of the 26,000 troops in his region are often receiving only a fifth of normal rice rations.

Aid workers in Battambang say they regularly hear stories of soldiers selling their uniforms to villagers to buy food, and commanders acknowledge that they will have difficulties unless the situation is remedied.

"Unless we get more supplies soon, we will not be able to go for Pailin," said one battalion commander.

Officer Says Nine Killed by Khmer Rouge

OW2612123595 Tokyo KYODO in English 1219 GMT 26 Dec 95

[FBIS Transcribed Text] Bangkok, Dec. 26, KYODO — Nine Cambodians — two young girls, five women and two men — were killed Monday [25 December] on the Thai-Cambodian border, a Cambodian military officer told a Thai-Cambodian border source on Tuesday.

The source said that Khmer Rouge opened cannon fire against Poipet, killing eight [as received] Cambodians instantly and leaving three others injured.

Cambodian Government troops returned the fire but the effect was unknown.

During the fighting, one shell dropped on Thai soil but no one was injured.

One of the two young victims was 2 years old, while the other was 6.

Locals Fear Outbreak of War With Khmer Rouge

BK2712074595 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 27 Dec 95 pp 1, 2

[Report by Ch.S.R.]

[FBIS Translated Text] Inhabitants of Ratanamondol District have been worrying that war might break out again on a large scale during this dry season ever since they saw both the government and rebel armies beefing-up forces in their locality in December.

Governor of Ratanamondol District Em Horn said that from mid- December to the fourth week of this month rebels had sent 200-250 of their men to the northern side of Route 10 in Ratanamondol District from Treng down to Boeng Prey. The rebels have already merged Divisions 415 and 320 into a 600-strong Division 09, which is under the command of Nuon Chea and Ri Chhean and operates in the zone from Pailin to Bavel.

The same district governor went on to reveal that the rebels had tested the government strength on the northern side of Route 10 with two major attacks, the first on 30 October and the second on 8 December. Both attacks were defeated with the Royal Armed Forces killing four rebels and wounding 28 others.

On the southern side of Route 10 the Khmer Rouge also combined together the forces of Divisions 171, 404, and 705 in addition to those of Front 250. This resulted in the formation of a new unit called Division F909 with a strength of about 400 men under the command of Ni Kan.

According to national military sources on Route 10, the rebels have set up two more commando battalions of 300 to 340 men. These forces have been hired from the ethnic Mons of the Thai-Burmese border who were engaged in the gem-mining business and also some Thai communists to defend Khmer Rouge headquarters and other important positions.

The district official went on to stress that the rebels' plan since mid-December has been to attack Ratanamoldol. During the fourth week, it was observed that the Khmer Rouge were reinforced with eight tanks known to be operating in the area. Enemy shellings, especially those on government positions in Treng, have also been noticeably stepped up during the same period.

Em Horn further revealed that the rebels have been threatening villagers against harvesting rice. This incident happened to war refugees in Ratanamondol whose land is at Damnak Trasak, Sala Kev village in Ta Kream commune of Banan District.

Worried that war might break out again in their district during the dry season, the inhabitants of Ratanamondol are harvesting rice on 1,291 hectares and storing it in the more secure rear areas to prevent losses when fighting takes place.

Hun Sen Comments on Freedom of Press

BK2512022095 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 24 Dec 95 p 2

[Report by Vanna]

[FBIS Translated Text] Samdech Hun Sen, second prime minister of the Kingdom of Cambodia, said at the Information Ministry on the afternoon of 21 December that "the news that has been published is a kind of investment, not the news for the news." However, the published news will have the attribute of human resources investment only if it provides knowledge of all kinds to the people.

The samdech second prime minister added that the reporting of news through radio, television, and newspapers, both state and private, is of vital importance since those institutions have conveyed to the people the news from the highest levels and bring the Royal Government feedback from the people in a timely fashion.

He added said the reporting has two important attributes: It can make people feel happy and it can cause war, conflict, and division if it is not accurate.

The samdech second prime minister pointed out that the freedom of the press has developed tremendously in present-day Cambodia, compared with its neighbors. Some sectors have gone so far as to use press freedom beyond the limit of democracy.

He said some foreign dignitaries whom he met at the recent Fifth ASEAN Summit had praised Cambodia for its stance on freedom of the press. Perhaps, he added, they felt afraid of "the small Cambodia that has become the world's No. 1 country in news reporting." Cambodia is small but now it has more than 50 newspapers that publish all sorts of news.

Samdech Hun Sen further said that some foreigners had asked him: Has the Royal Government seen exaggerated reports and articles published by some privately owned newspapers, especially those by Cambodia-based foreign newspapers that aim at seriously destroying Cambodia's democracy? He stressed that the foreigners had asked Cambodia to do what it could to prevent those newspapers from crossing into their countries because they are afraid of this kind of freedom.

The samdech second prime minister went on to say that if the press, which is called the fourth estate or estate of integrity, present reports correctly, accurately, and constructively, the Royal Government will respect and kowtow to it.

'No Less Than 100 Kg' of Drugs Seized in 1995

BK2712074495 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 27 Dec 95 p 5

[Report by Roza]

[FBIS Translated Text] According to a source in the Counternarcotic Bureau of the Interior Ministry, the counternarcotic police captured no less than 100 kg of drugs this year.

The same source noted that of all the major campaigns against narcotics, the one at Sre Ambel, Koh Kong Province, netted the most — as much as 71 kg. Another great achievement made by the Counternarcotic Bureau of the Phnom Penh Police Office.

There was only a small amount of opium among the drugs seized by the police. The rest was heroin in the form of powder and solid bars. Police authorities noted that only a small number of the traffickers are Cambodians. Most of them are Africans from Ghana or Nigeria, while others are Chinese.

In addition to opium and heroin, police authorities have also seized quite a large amount of hashish, which is also a narcotic that can be produced locally. They have been given warnings against possession of this drug. Phnom Penh police seized over one ton of hashish and Kandal Provincial police seized almost one ton. No significant activities were carried out by the counternarcotic police authorities in other provinces.

Besides hashish, opium, and heroin, counternarcotic police in Phnom Penh also arrested Chinese nationals and confiscated over 1,000 packs of aphrodisiacs that they had brought into Cambodia. The Counternarcotic Bureau revealed that no less than 10 foreigners are imprisoned for involvement in drug trafficking. Three of them, who are Africans, have already been sentenced by the court.

The police believed that there are no drug users in Cambodia, adding that if there are any, it is merely a small number of foreigners who are staying in hotels. However, police authorities did admit that Cambodia is a transit area for drug trafficking. The police are keeping a close watch on the passages along the sea ports, river lines, airfields, and Poipet border crossings. The police suspect that a quantity of opium was brought into Cambodia through the border passes in Stung Treng Province.

At present, the police's Counternarcotic Bureau has not yet deployed its forces to the needed areas and the various passes. The counternarcotic police still has limited capability because some policemen do not even know what opium or heroin is, or how to identify the taste. This inexperience has caused the police to be reluctant in requesting any search.

The counternarcotic police have been trained by the U.S. Embassy. However this theoretical training alone cannot provide sufficient experience to the counternarcotic police.

In addition to drugs, Cambodia faces another complicated problem, that of counterfeit dollars.

FUNCINPEC Searching for Secretary General

BK2212112095 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Dec 95 pp 1, 4

[Report by Chan Reaksmei]

[FBIS Translated Excerpt] It is reported that the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party secretary general post could be given to the vice chairman of the National Assembly, Loy Simchheang, or the royal delegate to Phnom Penh City, Chhim Siekleng, who are both members of FUNCINPEC and high-ranking officials. The same source said, however, that Loy Simchheang is more likely to be appointed to the position.

Prince Kromkhun Norodom Sirivut, who is still the FUNCINPEC party secretary general and an MP of Kompong Cham Constituency, was arrested and detained on 21 November 1995 in connection with a plot to kill Second Prime Minister Samdech Hun Sen. The prince was released and sent to the Royal Palace following his detention at the Interior Ministry on 19 December. He left Cambodia on 21 December after staying at the palace for two days.

While in transit at the palace, the prince kromkhun received an audience on 19 December from His Majesty King Norodom Sihanouk. He swore that he would leave politics and would not join forces with [former Finance Minister] Sam Rangsi's opposition group. [passage omitted covered by referent item]

No letter of resignation from the party secretary general post or the National Assembly has been received from the prince kromkhun as of 20 December.

Khov Meng-hean, FUNCINPEC party deputy secretary general, said recently that the prince kromkhun still remained party secretary general and an MP and that the prince would tender his resignation from the two positions before leaving Cambodia.

Speaking to REAKSMEI KAMPUCHEA on the afternoon of 20 December, Khov Meng-hean said he had not heard anything about Prince Kromkhun Norodom Sirivut yet, but that the party secretary general should be appointed by the party chairman.

Regarding the report that he could be appointed party secretary general to replace the prince kromkhun, Chhim Siekleng said he knew nothing about it. He said, however, that he used to hold that party post before.

Indonesia

Military Rejects Ransom for Irian Jaya Hostages

LD2612121895 Melbourne Radio Australia in English 1100 GMT 26 Dec 95

[FBIS Transcribed Text] The Indonesian military has ruled out ransom negotiations for the freedom of two teenagers held hostage by separatist rebels in Irian Jaya. Brigadier General Suwarno Adiwojoyo was quoted by Indonesia's ANTARA news agency as saying that the military was still trying to free the students, but would not pay any money in exchange. Gen. Adiwojoyo's remarks followed demands by the Free Papua Movement, or OPM, in Irian Jaya for a ransom of more than $13,000. The teenagers were kidnapped on their way to a school in (?Aso) subdistrict in Jayapura [northeast Irian Jaya; on border with Papua New Guinea] last month. The OPM has increased its activities in recent months in southern Irian Jaya with the November ambush of a military patrol which killed at least one government soldier and a civilian. The rebels have been fighting since the mid-1960's for a separate state in Irian Jaya, a former Dutch colony of western New Guinea, which was incorporated into Indonesia in 1963.

Communications Minister Cleared of Charges

BK2712112495 Jakarta KOMPAS in Indonesian 27 Dec 95

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — President Suharto has concluded that there is no valid proof that Communications Minister Haryanto Dhanutirto used state funds or funds from state enterprises for personal needs or benefit. The head of state, however, admitted that there had been various mistakes in financial procedures and administration in the Department of Communications.

According to Minister and State Secretary Murdiono at a news conference in Jakarta on Tuesday (26 December), the head of state asked the communications minister to make an inspection of and improve financial procedures and administration in the Department of Communications and state enterprises under its authority in accordance with the legal provisions and general rules set by the president.

Murdiono said that the conclusion was based on the final probe report made by Vice President Try Sutrisno on the alleged irregularities in the Department of Communications. According to the minister and state secretary, the president concluded that some of the reports by Inspector General for Development Kentot Harseno on the alleged irregularities were correct; others were correct but lacked strong evidence; and others were incorrect.

"The president has, however, declared the case over because there were only errors, mistakes, or inaccuracies in the existing financial procedures and administration," the minister and state secretary said.

Will the president's decision have an impact on the inspector general for development who made the reports? The minister and state secretary said: "No. Nevertheless, the inspector general will be reprimanded if there is proof that he was responsible for leaking his reports [to the press]." The minister said the State Secretariat did not leak the reports.

Investigated by the Vice President [subhead]

Murdiono gave a chronological disclosure of the alleged irregularities in the Department of Communications, beginning with the reports by the inspector general for development to President Suharto on 2 October and 10 November 1995 respectively on the alleged financial irregularities in the Department of Communications.

The president immediately asked the vice president to verify the reports. The vice president later made several written and unwritten reports to the president. The vice president asked the minister of communications, the inspector general for development, officials in charge of supervisory work, and various necessary parties to make written and unwritten reports to him during the investigation process.

According to Presidential Decree No. 25/1974, Presidential Notice No. 8/1974, and the president's remarks delivered when the first inspector general for development was sworn in at the Bina Graha Presidential Office on 23 July 1974, the main duties of the inspector general for development are to supervise the implementation of development projects, visit development projects, and make reports on his work to the president and vice president.

"The inspector general for development receives instructions and directives from the president and vice president and is accountable to the president. The inspector general for development is the front man of the president and vice president in supervisory work," the minister and state secretary said. [passage omitted]

Would the case have been reviewed or declared over if the reports had indeed been true but lacked clear proof? The president declared the case over because there were only errors, mistakes, or inaccuracies in the existing financial prodecures and administration.

Would the case have been handled in the same way if it had not involved a minister? I think our country follows the principle of equality before the law. As I said earlier, there are wrong procedures in the Department of Communications, but there has been no valid proof that the minister of communications personally used state funds or funds from state enterprises. Thus, I could conclude that the minister simply committed administrative mistakes.

Who is responsible for the irregularities? Hierarchically speaking, the minister is responsible for them, because the president has said on many occasions that a minister should supervise two echelons below him or her. I think I spoke about this on various occasions several years ago. [passage omitted]

Laos

Border Cooperation Meeting Held With Thailand

BK2312154995 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 23 Dec 95

[FBIS Translated Text] The fourth meeting in 1995 of the Lao-Thai General Border Peacekeeping Cooperation Subcommittee was held at the Latsavong Hotel in Vientiane this morning.

At the meeting the Lao side was led by Brigadier General Doungchai Phichit, acting chief of the General Staff Department of the Lao People's Army and chairman of Lao-Thai General Border Peacekeeping Cooperation Subcommittee. The Thai team was headed by Lieutenant General Phairot Nutchaya, chief of the Joint Operations Department, Supreme Command Headquarters, of the Kingdom of Thailand, and chairman of the Thai-Lao General Border Peacekeeping Cooperation Subcommittee. Concerned officials from both sides also attended the meeting.

Both sides concurred that over the past three months Lao-Thai relations have improved at all levels. The Lao People's Army and the Thai Armed Forces have steadily expanded their good relations and cooperation. They have held exchange of visits with each other. Regarding the cooperation and consultations in various fields, they quickly and jointly solved any problems that arose. Responsible mechanisms in the Lao-Thai border peacekeeping at all levels of both countries have actively performed their duties. The border peacekeeping committees at the provincial levels of the two countries have also held more meetings and consultations. These included meetings of the border peacekeeping committees between the Provinces of Bolikhamsai and Nong Khai; Sayaboury and Phayao; Sayaboury and Nan; Sayaboury and Uttaradit; Sayaboury and Phitsanulok; Savannakhet and Amnat Charoen; Savannakhet and Ubon Ratchathani; and Champassak and Ubon Ratchathani.

Over the past three months, the situation along the Lao-Thai border has been mostly peaceful. The exchanges of visits and trading activities between the people and officials of both sides have been carried out appropriately through the set border checkpoints. However, in some areas, there were still movements of bad elements, with a number of public citizens and officials failing to comply with laws and regulations. These include illegal entries, illicit trading, and smuggling of forest items. This created confusion and misunderstanding between the people and officials along the Lao-Thai border. Regarding the movement along the Lao-Thai border of the elements who have bad intentions toward Lao-Thai relations, both sides have agreed to continue their cooperation in patrolling the border areas and implementing stringent measures to solve problems in a timely manner. In addition, both sides will effectively step up operations in accordance with Item 11 of the minute of the fifth meeting of the Joint Lao-Thai Cooperation Commission.

Philippines

Opening of Malaysian Consulate in Davao Welcomed

BK2712011295 Manila PNA in English 1227 GMT 24 Dec 95

[Received via Internet]

[FBIS Transcribed Text] Davao City (PNA) — Mayor Rodrigo R. Duterte Sunday hailed the establishment of a Malaysian consulate general in this city, saying that this is another positive sign that the members of the East ASEAN Growth Area (EAGA) are really accelerating the implementation of their respective roles.

The city mayor, speaking for the city officialdom, thanked the government of Malaysia for immediately responding to a growing need for a consulate here in view of the increasing Malaysian business presence in Davao City and other parts of Mindanao soon after the EAGA was officially launched here two years ago. To underscore Malaysia's commitment to support the aims of EAGA, Duterte said, Prime Minister Mahathir Mohammad even personally visited Davao City a few days after the EAGA launching by the economic Ministers of its four-member countries, Brunei Darussalam, Indonesia, Malaysia and the Philippines.

The announcement of Malaysia's opening a consular office here was made during a courtesy call at the mayor's office yesterday by the two top Malaysian consulate officials, Consul General Salman Ahmad and vice-consul Mohammad Khalil Mustaffa.

Accord With Pakistan on Terrorists Signed

BK2712080595 Manila MANILA BULLETIN in English 22 Dec 95 p S-2

[Report by Emily R. Pena]

[FBIS Transcribed Text] The Philippines and Pakistan have intensified their joint efforts to combat transnational crimes with the signing of a memorandum of agreement [MOA] aimed at strengthening their cooperative endeavors against terrorists, drug trafficking, and arms smuggling.

The signing of the agreement highlighted the four-day visit to Manila of Pakistan Interior and Narcotics Control Minister Nasirullah Khan Babar and Federal Investigation Authority Director General Renman Malik. They were guests of Interior and Local Government Secretary Rafael M. Alunan III.

In signing the MOA, Minister Babar pledged his country's total support for the Philippines in its campaign against terrorism and other transnational crimes.

For his part, Alunan said the agreement "draws both countries closer to their common goal of defeating crime and terrorism."

The visit reciprocated Alunan's trip to Pakistan earlier this year during which the Philippines sought the assistance of the Islamabad government in dealing with the threats posed by international terrorists and arms and drug smuggling.

Aside from the memorandum of agreement, Alunan said the four-day visit of the Pakistan also produced drafts for a Mutual Assistance and Extradition Treaty, which will be signed in the near future by President Ramos and Prime Minister Benazir Bhutto.

Alunan described Minister Babar's visit as "a signifying milestone in Philippine-Pakistan relations," and thanked his Pakistani counterpart for sharing his wealth of experience and knowledge in internal security matters."

General Acedera, Jr. Appointed as Air Force Head

BK2612053795 Quezon City Radio Filipinas in English 0230 GMT 26 Dec 95

[FBIS Transcribed Excerpt] President Ramos has appointed Major General Arnulfo Acedera, Jr. as the new Philippine Air Force [PAF] chief vice Lieutenant General Nicasio Rodriguez, Jr. who is retiring today. The president also appointed Brigadier Gen. Jaime Ileto, Jr. as deputy chief of staff of the Armed Forces. [passage omitted]

He will formally assume his post at 9 AM today during turnover ceremonies at the PAF Headquarters in Villamor Air Base. [passage omitted]

Police on 'Red Alert' as NPA Marks Anniversary

BK2512104995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 25 Dec 95

[FBIS Translated Text] The police have been placed on red alert in Metro Manila and Rizal Province in connection with the anniversary of the New People's Army [NPA]. According to Rizal Provincial Commander Chris Maralit, he has already ordered his men to strengthen security against whatever plans the communists may have to attack. The NPA was founded in 1969 to stand as the armed forces of the communist movement.

[Begin Maralit recording, in English] I have instructed my chiefs of police, district directors, and commanding officers of the Mobile Force Company to impose further security preparations. And I have also instructed all the personnel under my command to be on full red alert and maintain operational readiness at all times. [end recording]

Police Arrest ABB Intelligence Officer

BK2712034995 Manila PNA in English 1218 GMT 26 Dec 95

[Received via Internet]

[FBIS Transcribed Excerpt] Manila, Dec. 26 (PNA) — Following is the top story on the major English-language Philippine newspapers today: [passage omitted]

CHRONICLE — ABB Intelligence Officer Falls

Government agents arrested last Saturday what they said is the intelligence officer of the Alex Boncayao

Brigade [ABB] and one of the six gunmen who assassinated industrialist Leonardo Ty and his driver last 11 December... The suspect, Orlando Bondallon, Jr., was nabbed during a raid jointly conducted by the Philippine National Police, Armed Forces of the Philippines and the National Bureau of Investigation at his safehouse in Phase 5, Bagong Silang, Kalookan City... Police sources said Bondallon, the alleged intelligence officer of the ABB's Manila-Rizal regional party committee, was responsible for the planning and execution of Ty's murder... Bondallon's group was also identified by the police as responsible for the failed assassination attempt on another Filipino-Chinese businessman Roberto Chua... [passage omitted]

Three More ABB 'Hit Squad' Suspects Arrested

BK2712113595 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 27 Dec 95

[FBIS Translated Text] The intensified police and military operation against elements of the Alex Boncayao Brigade [ABB] continues. This morning, three alleged members of the hit squad were presented to the media at Camp Crame. Overall, seven ABB members have been arrested while 60 more are being hunted. Here is a report from our witness, Maki Pulido. Maki, come in:

[Begin recording] [Pulido] High-ranking officials of the Armed Forces of the Philippines [AFP] and Philippine National Police [PNP] presented three more suspected killers of businessman Leonardo Ty. The suspects are allegedly members of the Alex Boncayao Brigade. The suspects were identified as Orlando Bundalian, alias Cesar, suspected mastermind in the slaying of Ty; Roberto Lopez, alias Tonton, the alleged trigger man in the killing; and Romy Torreda, alias Joven, who admitted he was among those who has staged previous ambushes against local officials.

ABB leader Nilo de la Cruz yesterday denied that the suspects are ABB members. This was also the statement made by relatives of the suspects.

Meanwhile, according to an intelligence source, four more suspects have been arrested and are now under house arrest. It was also mentioned that police and military authorities are set to arrest 60 more people.

Interior Secretary Raphael Alunan III said the PNP and AFP are on alert for a possible attack by the ABB due to these subsequent arrests:

[Alunan, in English] The government's internal security apparatus is on the alert for possible reprisals from the ABB on account of these setbacks.

[Pulido] With Boy Sonza, this is Maki Pulido, your witness. [end recording]

Meanwhile, Raphael Alunan III, interior and local government secretary, downplayed the Alex Boncayao Brigade's threat to retaliate. According to Alunan, if the hit squad carries out the threat of its leader, Nilo de la Cruz, it will confirm that they are a terrorist group. Alunan gave assurances that the government's so-called internal security apparatus is ready to counter any such threat:

[Begin Alunan recording, in English] If he is going to take the law in his own hands, that only proves the point that we're dealing with terrorists and criminals who refuse to follow the rule of law and join the mainstream of society. I encourage him to come out of the underground and to be part of the effort of the Filipino family to put our house in order and to give ourselves a better life. [end recording]

Media Review Ramos' Call To Fight Terrorism

BK2512090095 Manila PNA in English 0452 GMT 25 Dec 95

[Received via Internet]

[FBIS Transcribed Excerpt] Manila, Dec. 22 (PNA) — Following are the top stories and excerpts of commentaries in the major English-language Philippine newspapers today: [passage omitted]

BULLETIN — Fight terrorists, FVR [President Fidel Ramos] urges Nation

President Ramos said yesterday terrorism is now the biggest threat to national security and stability and called on the people to work with the government so that the country can effectively confront its peace and order problems... The president said that while communist insurgency no longer poses a major threat to the country, there is still a need for the government to strengthen and modernize its armed forces... "We must unite and confront the problems of peace and order in various parts of the country, and the threats affecting the nation's security, especially the new terrorism that has spawned senseless violence in some of our communities," Mr. Ramos said... [passage omitted]

CHRONICLE — ABB's Death Squads To Operate Nationwide

The leader of the Alex Boncayao Brigade (ABB) has dismissed a declaration of war by President Ramos as meaningless and said his group would continue its lethal campaign against corrupt officials and abusive employers... Sergio Romero, ABB chief, said that far from being cowed, the group which has killed scores of people in nine years was now planning to expand beyond Manila... "We are planning to go nationwide," he told REUTERS in a clandestine interview last Wednesday... Romero, a veteran guerrilla in his late 40s, is Manila's most wanted man since Mr. Ramos declared war on the ABB after its most recent attacks in which 82-year-old industrialist Leonardo Ty and a five-year-old boy were killed... Branding the ABB as "terrorists", the president said its members would be made to pay for their crimes... "It's nothing new," Romero said of the crackdown...

TODAY — 3 More Pakistanis Fall

A composite team led by the National Police's Criminal Investigation Command arrested yesterday three more suspected Pakistani terrorists in two raids conducted in Makati City and an undisclosed town in Rizal... Sketchy initial reports said the three suspects were undergoing tactical interrogation by the CIC [Central Intelligence Command]. Their links to the first two batches of terror suspects arrested - five in Bulacan and two in Manila - were confirmed, sources said... The arrest of the three came as the military and the police went on alert following reports that members of an international terror group had entered the country... The military yesterday confirmed that the Muslim fundamentalist and extremist group Abu Sayyaf has succeeded in acquiring new and more arms as well as new recruits for a planned terror campaign in Metro Manila... But it dismissed reports that the terrorist group has linked up with other terror cells such as the communist Alex Boncayao Brigade or foreign terrorists... [passage omitted]

'Analysts' Doubt Alleged Terror Plot Theories

BK2612091395 Manila PNA in English 1249 GMT 25 Dec 95

[From the Press Review — received via Internet]

[FBIS Transcribed Excerpt] Manila, Dec. 25 (PNA) — Following are the top stories and excerpts of commentaries in the major English-language Philippines newspapers today: [passage omitted]

TODAY — Terror plot doubted; (Police, military theories 'weak, inconsistent')

The police and military versions of a massive terrorist plot by foreign groups are full of inconsistencies and weak theories, knowledgeable analysts at the foreign affairs department said yesterday.

For instance, while authorities point to Pakistan's opposition group, Muhajir Qaumi Movement (MQM), as being behind the alleged plot, the movement has denied that it has targeted the Philippines...

Other reports linking the terrorist plot to the Asia-Pacific Economic Cooperation [APEC] summit in 1996 in the Philippines also do not hold much water because, in the first place, Pakistan is neither a member nor an aspiring member of APEC, a loose grouping of 18 economies in the region...

Pakistan's Prime Minister Benazir Bhutto, who is hated by the MQM, has no plans of visiting the Philippines next year...

"We do not wish to put the military and police officials in ridicule by pointing this out. But it would be good for them to conduct a more thorough background check and analysis of the situation, they added...

However, the country's intelligence community is alarmed by the heavy arrival of Pakistanis in the country... [passage omitted]

Marijuana Ring of 'Moro Bandits' Uncovered

BK2612103295 Manila PHILIPPINE DAILY INQUIRER in English 21 Dec 95 p 18

[Report by J. Feliciano]

[FBIS Transcribed Text] Zamboanga City — Anti-narcotics agents have uncovered an extensive marijuana export venture run by Moro bandits, including the extremist Abu Sayyaf, police said here yesterday.

The Narcotics Command here said the bandits export marijuana through several provinces undetected by authorities.

Senior Insp. [Inspector] Jose Velasco, chief of the anti-narcotics unit here, said an Australia-based group called Molene buys marijuana worth millions of pesos from lawless elements, including the group Abu Sayyaf.

Velasco said the marijuana trade was discovered in Sulu, Tawi-Tawi, the Zamboanga peninsula, and Basilan, areas believed strongholds of Moro bandits.

Velasco admitted police have a hard time tracking the marijuana sellers because of the sheer distance police have to cover to monitor the illegal trade.

He said the marijuana plants come mostly from Maimbung and Indanan in Sulu where eight marijuana plantations can be found, the hinterlands of Basilan, and the mountains of mainland Mindanao.

"Our only hope is that we would target their main sources like their marijuana plantations, with proper coordination with other units," he said.

Velasco said the Molene syndicate sends their people to these points in secluded islands of either Sulu or Tawi-Tawi where multi-million pesos worth of transactions are being done with their suppliers.

The marijuana export venture is one main source of funding for the lawless groups here in Mindanao, military sources said.

Thailand

Air Force Head 'Hopeful' for U.S. F-18 Deal

BK2612033095 Bangkok THAILAND TIMES in English 26 Dec 95 p A1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Air Force Commander-in-Chief M.R. [Mom Ratchawong — royal title] Siriphong Thongyai said he was hopeful the United States will eventually approve Thailand's request for the purchase of F-18 jet fighters.

"As far as I know the U.S. Defense Department is pleased to support our arms acquirement project," said Siriphong.

ACM [Air Chief Marshal] M.R. Siriphong said the U.S. will send documents to the Air Force for consideration before a purchase agreement is made.

He added the Air Force will also seek an approval from Thai Defense Ministry first before giving answers to the U.S.

The Air Force planned to purchase two squadrons of F-18s. Each squadron is composed of eight jets at the price of about one billion baht each.

However, the Air Force has reached five alternatives to F-18s such as Russian-made SU-35 and French-made Mirage 2000 jets if the U.S. refuses to sell its jets with latest advanced missiles and other modern electronic systems.

Siriphong dismissed any bribery allegation involved in the Air Force's arms acquirement, saying expenditures would be strictly done in accordance with regulations.

With regards to a suggestion of the Office of National Economic and Social Development Board that a government-to-government system be introduced in arms purchase, Siriphong said the Air Force prefers the G-to-G system to direct purchase from private firms.

"But sometimes, this may be more expensive than directly purchasing from private companies. In such case, the method of purchasing from private firms should not be ruled out," said the air force chief.

Defense Minister Chawalit Yongchaiyut said arms purchase project of armed forces was not initiated by the current government, but the previous Chuan Likphai government.

EU-U.S. Action Program on ASEAN Viewed

BK2512035195 Bangkok BANGKOK POST in English 25 Dec 95 p 10

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] The new transatlantic agenda between the European Union and the United States may have an impact on the EU's trade and investment with third countries like the ASEAN group, according to the office of the commercial counsellor in Brussels.

Phitsanu Riammahasan, minister (commercial), said the joint EU-U.S. action plan, a supplementary agreement of the new transatlantic agenda would boost investment and trade in goods and services between these two regions.

The promotion of multilateral trade under the World Trade Organisation (WTO) system was aimed at totally freeing trade in goods, services and investment among the members, he said.

The two groups — the EU and the U.S.A. — will implement their commitment to tariff cuts under the Uruguay Round of negotiations. Opportunities to speed up these reductions will be studied.

The plan calls for both sides to support the drafting of an agreement to form the framework for the protection of investment under the Organisation for Economic Cooperation and Development (OECD).

Mr. Phitsanu said both sides were committed to the elimination of tariff and non-tariff barriers to create a better flow of goods and capital, which would lead to the establishment of a new transatlantic market.

A Commerce Ministry source said Europe needed connections with the U.S., otherwise it would be left out of other economic groups, especially when the Asia Pacific Economic Cooperation (APEC) group was transformed into a free trade area in the long term.

Mr. Phitsanu said the EU was likely to be better positioned than the U.S. in terms of its strategy of expanding links with other economic groups, because it has cooperation agreements with Eastern and Central Europe, Africa and countries in the Mediterranean.

The EU was increasing its influence in many regions and had expanded with Austria Finland and Sweden becoming members early this year.

The creation of a customs union with Turkey next years a free-trade agreement with countries in the Mediterranean and agreements of association with six Eastern European countries will increase its base.

Official Discusses ASEAN Role in Mekong Area

BK2212045295 Bangkok THE NATION in English 22 Dec 95 p A2

[Report by Don Pathan]

[FBIS Transcribed Text] Asean's effort to establish economic ties with the Mekong Subregion should not be seen as undercutting Thailand's role in the region's economic development, a senior Thai Foreign Ministry official said yesterday.

The ministry's Asean department director, Sukhum Ratsamithat, said Asean leaders agreed at the recent Asean summit that the concept of "shared prosperity" should be the guiding principle for the new development framework.

The economic linkage programme agreed upon by Asean leaders will build on existing efforts such as Asian Development Bank projects, a working group on the economic development of Indochina and Burma set up by Asean Economic Ministers and Japan's Ministry of International Trade and Industry (MITI), and the existing bilateral assistance each individual member already extends to Mekong countries.

Sukhum insisted that the new economic framework will not in anyway lessen the importance of the Mekong River Commission or Japan's existing blueprint for the comprehensive development of Indochina.

He said Thailand has all along insisted on the importance of development of the Mekong Subregion, adding that the vision became much clearer at the recent summit when all 10 Southeast Asian countries participated.

Thailand and Vietnam are the only two Asean states to have geographic links and formalized cooperation with other countries in the Mekong region. They include Laos, Cambodia, Burma and China's southern province of Yunnan.

Thai officials have consistently called on the country's privatized sector to invest in the Mekong Subregion, but there was little response due to high risk.

Sukhum said the issue will be discussed at next year's ministerial meeting in Kuala Lumpur.

The proposed linkage is important because economic cooperation among Asean members would be strengthened and Thailand would act as the centre of communication and transportation during the development process.

The new proposal is aimed to expedite the integration of remaining states of Laos, Cambodia and Burma into Asean by 2000.

Asean leaders agreed that South Korea and Japan should be invited to take part in this new scheme. China is part of the Mekong region and should be encouraged to participate, he said.

Sukhum said it is too early to tell if the proposed linkage would evolve into Malaysian Prime Minister Mahathir Mohamed's proposal for an East Asia Economic Caucus (EAEC). He said ideally the new framework could evolve into the creation of a central development fund for the Mekong Subregion.

Results of Growth Triangle Meeting Reported

BK2312134495 Bangkok BANGKOK POST in English 23 Dec 95 p 26

[Report by Chatrudi Thepharat from Narathiwat]

[FBIS Transcribed Text] Both the public and private sectors have agreed that the results of the fifth meeting of the Indonesia- Malaysia-Thailand Growth Triangle (IMT-GT) will help push forward development in the region.

The inclusion of West Sumatera in the triangle was one of the most significant outcomes of the meeting, which ended yesterday, officials said.

The Asian Development Bank [ADB] was authorised to study the effects of adding West Sumatera, as well as possible ramifications for the separate Indonesia-Malaysia-Singapore Growth Triangle.

Kosim Gandataruna, a senior Indonesian official, said his government told the meeting it would pursue deregulation of trade and investment in order to attract foreign investors to Indonesia.

He said he hopes that through the triangle, both Thai and Malaysian investors will be able to gain more information about investing in Indonesia.

Existing projects in West Sumatera stand to benefit from greater economic cooperation among the three countries, said Derom Bangun, chairman of the IMT-GT standing committee.

Thai Deputy Prime Minister Amnuai Wirawan said Thailand has to encourage its business leaders and groups such as the Federation of Thai Industries, the Bank of Thailand and the Board of Trade, to take a stronger role in the IMT-GT project.

Nopphon Atchariyawanit, a counsellor of the Foreign Ministry's Department of Economic Affairs, said the meeting had been quite productive, agreeing to implement several projects. Among them:

— Agriculture and Fisheries: Participants agreed to establish four working groups to conduct feasibility studies and carry out long-term planning for a three-country development plan.

— Thailand will do long-term planning for fisheries. Malaysia will study the possibility of a wholesale agricultural products market on the Thai-Malaysia border, while Indonesia will examine development of the livestock, fruit and vegetable industries.

The ADB will also look at the issue of marine resources in the region.

— Trade, Investment, Industry: The ADB will study the possibility of establishing a special economic zone along the Thai-Malaysia Border.

Myo Thant, an economist and study coordinator for the bank, said the zone should offer resource mobility, labour mobility, eased regulations and lower tax barriers. Reducing tariff and trade barriers within the IMT-GT should conform with the agreements related to the ASEAN Free Trade Area.

There was no firm conclusion on the issue of exchanging industry information, with both Thailand and Malaysia championing their own separate computer systems.

— Human Resources Development and Labor Mobility: Thailand and Malaysia will conduct a joint study on demand for various types of labour over the next five years. It will also examine the capacity for skills development in various sectors as well as labour mobility trends within the region.

Thailand has started conducting the study as part of its master plan to increase development in its southern border provinces.

Mr Nopphon said Thailand and Malaysia have agreed to provide three-year border passports for labour, experts and investors from each country to facilitate border crossing. — Customs: Malaysia agreed to consider extending the operating hours of the Betong and Tak Bai checkpoints by three hours. All three countries agreed to reduce non-tariff barriers.

Thailand and Malaysia also agreed to simplify and standardise customs procedures on both sides of the checkpoints.

— Infrastructure, transportation and energy: The countries agreed to establish a special telecommunications zone, which the ADB will study in detail.

Measures Adopted To Aid Growth in Triangle

BK2312143395 Bangkok THAILAND TIMES in English 23 Dec 95 p A1

[Report by Saranyu Samakratkit]

[FBIS Transcribed Text] Narathiwat — Measures to facilitate economic growth in the Indonesia-Malaysia-Thailand Growth Triangle [IMT-GT] area, including a common cross border policy as proposed by private sectors of the three countries, were adopted by ministers from the three neighboring countries.

Thailand's Deputy Prime Minister Amnuai Wirawan, Indonesia's Investment Minister Sanyoto Sastrowardoyo, and Malaysia's Minister for Coordinating the Triangle Project yesterday signed an agreement to adopt the measures.

The ministers agreed to accelerate the reduction and identification of non-tariff barriers that should finalize the industrial cooperation scheme of the Association of Southeast Asian Nations (ASEAN) in the future.

The agreed measures emphasized among other things the harmonization and simplification of customs procedures at the borders, the computerization of customs information in which customs offices of the three countries will be linked on-line by year 1997-98, and the possibility of using one declaration form for both the Malaysian and Thai border check points.

The Thai deputy prime minister said he expects to see the single declaration process launched within six months.

The harmonization of crossborder policies on vehicles, including motor vehicle liability insurance was also adopted.

The Medan-Phuket flight route, and the expansion of the IMT-GT area to cover West Sumatera province of Indonesia were also in the agreed minutes of the ministerial meeting.

The ministers agreed to establish three technical working groups to accelerate, facilitate, and solve problems concerning the countries' fisheries, livestock, and common border wholesale markets.

Five memoranda of understanding [MOU] between private sectors were also signed during the IMT-GT meeting.

The MOU on cooperation of trunk mobile radio services were signed by the United Communication and Industry PCL of Thailand and Malaysia's Supreme Land Mobile and Wireless Corporation Sdn Bhd [Company Limited].

The ministers ended the three-day meeting in this southern province yesterday.

The ministers also admitted that human resource development is the key to economic progress, along with the improvement of basic infrastructures such as telecommunications, ports, roads, and bridges.

IMT-GT comprises the five southern provinces of Thailand, the Northern states of Malaysia, and the northern provinces of Indonesia's Sumatera Island.

The next IMT-GT meeting will be held in Aceh.

Greater Malaysian Role in Growth Triangle Urged

BK2312143595 Bangkok BANGKOK POST in English 23 Dec 95 p 26

[Unattributed Report]

[FBIS Transcribed Text] Thailand proposes widening the Indonesia-Malaysia-Thailand Growth Triangle to include Kelantan and Trengganu states in Malaysia.

Deputy Prime Minister Amnuai Wirawan put the idea to yesterday's ministerial meeting of the group, saying it would boost cooperation and economic growth.

Tun Daim Zainuddi, the Malaysian minister coordinating the project, acknowledged Thailand's proposal and said any further action would depend on their government.

He said Malaysia wanted to include only the northern regions of the country in the triangle. The two states were in the east.

A Thai official at the meeting said Thailand was keen to include the two states because Kelantan had substantial marine resources and Trengganu had large quantities of crudes.

During discussions on the establishment of a land bridge between Thailand and Malaysia, Thai officials supported the setting up of road, rail and gas pipeline links.

Thailand vetoed plans for a crude-oil pipeline because it feared this would conflict with its southern seaboard developments, Mr Amnuai said.

Mr Tun Daim said Malaysia might build its own crude oil pipeline from Malaysia to the Thai border to help the shipment of crude oil to Taiwan Hong Kong and Japan.

Article on Growth Triangle Coordination Policies

BK2212070095 Bangkok THAILAND TIMES in English 22 Dec 95 p A2

[Unattributed Report]

[FBIS Transcribed Text] Narathiwat — The harmonization of difficult policies is an important basic requirement of the Indonesia-Malaysia-Thailand Growth Triangle [IMT-GT] incentive arrangement, senior officials agreed yesterday.

"There is still room for improvement. The harmonization of policies is a basic requirement for achieving greater integration," said National Economic and Social Development Board [NESDB] Deputy Secretary General Sansoen Wongcha-um.

Sansoen urged the IMT-GT governments to continue their support of intra-sub-region economic interdependence and cooperation.

Continued support from governments, and the private sector would enable the sub-region to compete internationally, Sansoen added.

Meanwhile, Phonchai Ruchiprapha, director of the NESDB Integrated Plan and Operation Center, predicted that policy harmonization would not be easy, because of existing problems such as terrorism in Southern Thailand, crossborder procedures, and incentive outlines for new investment.

Phonchai did say, however, that policy harmonization was on the right track.

IMT-GT senior officials yesterday concluded the final draft of an agreement on economic mobility for the area's agriculture and fisheries, an information exchange center, human resource development programs, energy cooperation, and other economic incentives for the development of sub-regional infrastructure.

China's Li Ruihuan Arrives in Phuket on Visit

BK2412142895 Bangkok Radio Thailand Network in Thai 1200 GMT 24 Dec 95

[FBIS Translated Text] The chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee and his delegation is visiting Phuket Province. The Phuket governor said that the visit to Phuket by the Chinese delegation will further strengthen Thai-Chinese relations. A Phuket-based correspondent of Radio Thailand has the following report:

[Begin correspondent recording] Li Ruihuan, chairman of the CPPCC National Committee, and his delegation arrived in Phuket for a visit. The delegation was welcomed by Phuket Governor Suchit Nimitkun, Phangnga Governor Pricha Ratchit, and 3d Navy Region Commander Vice Admiral Samran Amsam-ang, and the people of Phuket. Phuket governor Suchit said that Li Ruihuan was interested in Phuket. Li Ruihuan praised Phuket for its greenness and good weather. The governor said that the visit by the CPPCC National Committee chairman will further strengthen bilateral relations. The Phuket governor added that the people of Phuket were proud of the visit to Phuket by senior Chinese officials. [end recording]

TCFA Welcomes Li Ruihuan

BK2412134495 Bangkok XING XIAN RIBAO in Chinese 24 Dec 95 p 12

[FBIS Translated Text] General Chatchai Chunhawan, chairman of the Thai-Chinese Friendship Association [TCFA], hosted a banquet to welcome Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], and his high-level delegation on the afternoon of 23 December at the Shangri-La Hotel. Also present at the banquet were Chinese Ambassador to Thailand Jin Guihua, TCFA Vice Chairmen — Zhong Yuanquan, Li Jinghe, Xie Guomin, and Chen Keqi, TCFA Secretary Liu Huayuan, Vice Treasurer Ma Yeqiao, and Chief Accountant Lim Wenguo.

General Chatchai said that he hosted a small party today to welcome the CPPCC chairman and delegation. CPPCC Chairman Li Ruihuan said that TCFA Chairman General Chatchai, the vice chairmen, and members had made great contributions to the promotion of Sino-Thai friendship. The Chinese people have admired these contributions. The welcome party ended at about 1400 after everyone had enjoyed themselves to the full.

Malaysia Considering Releasing Thai Fishermen

BK2412113995 Bangkok THE SUNDAY NATION in English 24 Dec 95 pp A1, A3

[Unattributed Report]

[FBIS Transcribed Excerpts] Malaysia may free another 300 Thai fishermen held for trespassing in its waters, following agreement for the release of three others jailed last month after a gunboat fired on a Thai trawler, the Thai ambassador to Kuala Lumpur said yesterday.

The freedom for the 300 fishermen would be a good-will gesture to mark the 50th anniversary of His Majesty the King's accession to the throne next year, Ambassador Suraphon Posayanon said.

The date of the release had not been finalized and documentary clearance was needed first, he said. Only those jailed for trespassing in Malaysian waters were eligible for release. Jailed fishermen who also face other criminal charges such as drug abuse would not be freed. Suraphon told reporters in the southern border province of Narathiwat.

He said the three Thai fishermen jailed after a Malaysian navy boat opened fire on the trawler To Lakkhana 14 last month, killing two crew, would be released before Dec 28.

On Friday, Malaysian Prime Minister Mahathir Mohamed said in Kuala Lumpur the three crewmen would be freed once their fines were paid. He said the Thai Government would make the payment arrangements.

Mahathir said Bangkok had agreed to pay 120,000 ringgit (US$47,320) to free the three fishermen. [passage omitted]

Prime Minister Banhan Sinlapa-acha was reported to have asked Mahathir to make arrangements for the release of the three fishermen during the recent ASEAN Summit. Banhan also requested that the trawler be returned to them.

The chairman of the House committee on justice and human rights, Witthaya Kaeopharadai, said yesterday the government should do more to solve the problems Thai fishermen have with neighbouring countries, or it would face some tough questions when Parliament reconvenes in March.

MP Witthaya (Democrat-Nakhon Si Thammarat) called on Banhan and other Cabinet ministers to better protect the rights of Thai fishermen.

Malaysia Reportedly Detains Trawlers

BK2512155695 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 25 Dec 95

[FBIS Translated Text] There has been a report from a patrol unit in Satun Province that Malaysian naval officials captured two Thai fishing trawlers on the borderline between Li Pe Island, Muang District, Satun Province and Lankawi Island, Malaysia. The spot of the arrest was about 20 nautical miles south of Li Pe Island. The detained boats are the Lim Duan Udomchai 9 with nine crew members and the Thep Phitthaya 2 with seven crew members. The two boats and all the crewmen are being detained in Lankawi District.

Meanwhile, there is a report from Ranong fisheries officials that Burmese warship No. 443 trespassed into Thai territorial waters this afternoon and fired gunshots at a Thai fishing trawler, the Rung Napha 2, while the boat was about three nautical miles northwest of Phayam Island. The fishing boat was set ablaze and the

Burmese warship retreated from Thai territorial waters. Ranong Province's Water Police Division immediately sent out patrol boats to rescue the Thai boat, but the fate of the crew members is still unknown.

French Firm Denies Alleged Burmese Village Attack

BK2512042695 Bangkok THE NATION in English 25 Dec 95 p A2

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] France's oil giant Total has denied that any attack took place on Dec 2 against a Burmese village where the company was preparing to lay a pipeline to pump natural gas from Burma's Gulf of Martaban to Thailand.

Joseph Daniel, Total's public affairs vice president, who has just returned from a visit to the project area in southern Burma, rejected the rumours that a group of armed men attacked Kanbauk village, in which one foreigner working for Total was either killed or wounded.

In a phone call from Paris, Daniel said he was "absolutely sure that no attack had taken place in the area since March 8", this year, when a group of unidentified ethnic forces attacked a Total survey team killing five people and wounding 11 others.

"I visited the pipeline last week (the second week of December) and I am absolutely sure of my information. It is not the first time that such rumours have been spread," he said.

He reiterated that the victims, who were killed and wounded during the March ambush, were all Burmese and not foreigners as claimed by the Karen National Union (KNU), suspected of involvement in the attack.

A senior official from the KNU Fourth Brigade in southern Burma told The Nation in a recent interview that at least one foreigner was either killed or injured when a group of local Karen villagers attacked the village on Dec 2. He said his group was still waiting for a final confirmation of the attack.

Kanbauk, which is located a few miles from the coast, was to serve as the main headquarters for the Total pipeline operation which pumps gas from the Yadana Field in the Andaman Sea.

Daniel said laying of the pipeline had not yet started but confirmed that some civil engineering work had started in October, including the construction of a landing strip and a wharf to accommodate ships which would deliver the equipment needed for construction of the onshore pipeline. He added that workers on the project "were hired locally in order to provide local employment".

While Karen officials said they had received no reports of forced labour on the project so far, the wages paid to the workers was said to be 100 kyat a day (Bt[baht]385 at the official rate and Bt20 at the black market rate). Daniel, however, denied that saying "their salaries are above the prevailing wage scale for the region and their training will be comprehensive".

He said skilled workers earned 300 kyat per day, 250 kyat per day for semi-skilled workers, and 200 kyat per day for unskilled workers. In addition to the salary, the workers receive free accommodation, food, safety equipment and medical examinations, he said.

Daniel said the laying of the onshore gas pipeline would start in October 1996 and be completed by April 1997. The offshore platforms would be installed from mid-1997 to early 1998, and the offshore pipeline would be laid from mid-1997 to late 1997. Gas deliveries to Thailand are scheduled to begin on July 1, 1998.

The Total spokesman rejected KNU officials' claims that Total foreign staff do not stay on the at the site for security reasons and were being flown in daily by helicopter from Rangoon. He said both foreigners and Burmese workers live locally at the site in a Total accommodation camp. "Helicopters are mainly used as a personnel shuttle and for transportation between the accommodation camp and the work sites," he said.

BOT Planning To Issue State Enterprise Bonds

BK2512093195 Bangkok BUSINESS DAY in English 25 Dec 95 p F1

[Report by a "staff writer"]

[FBIS Transcribed Text] The Bank of Thailand (BOT) is planning to develop and issue state enterprise bonds in an attempt to increase long-term foreign capital investment, a central bank source said over the weekend.

The source said that state enterprise bonds would offer investors a consistent return and an attractive alternative to those foreign managers looking to keep money in the Thai capital markets in the medium to long term.

The source said that buying state enterprise bonds is usually considered a very low risk investment which would be a major attraction to foreign capital and fund managers looking for a longterm spread.

The move should help Thailand, traditionally a speculative arena for international players, establish a more solid base for foreign investment while simultaneously attacking the rising current account deficit.

State enterprise bonds usually carry a maximum 10-year maturity period which means that foreign investors buying the bonds will be more committed to long-term investment.

In addition to that, the source noted that given the existing high interest rates in the financial market, the bonds would currently offer attractive coupon rates to their holders.

The source revealed further that the central bank would look into other alternatives aimed at raising levels of foreign capital flows such as issuing bonds overseas to bring in long-term foreign capital.

The funds raised from these bond issues could be used as lending to local farmers which is like "killing two birds with one stone", explained the source since the bank traditionally provides its cheapest loans to the agrarian sector.

The central bank projects the amount of foreign capital coming into the country in 1996 would depend greatly on the United States Federal Reserve's policy on interest rates, said the source, adding that he thought a significant reduction in the key Federal Reserve Funds rate next year was relatively unlikely.

The source said that while such a move might be used to lift the economy and popularity of the President prior to a US election campaign, it would not be well received by the capital markets in the US and could result in increased flows of capital into the region. However, high foreign capital inflows should be expected if the Fed rate were lowered as Thailand and this region would offer higher investment returns and larger spreads of interest margins compared with the US, the source said.

BOT Urges Ministry To Help Curb Inflation

BK2612042195 Bangkok THAILAND TIMES in English 26 Dec 95 p B1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — The Bank of Thailand (BOT) urged the Finance Ministry yesterday to enforce fiscal measures, especially by increasing tax, to curb rising inflation.

BOT cannot control rapidly increasing inflation by its financial policy, BOT governor Wichit Suphinit informed the Economic Cabinet Ministers meeting yesterday.

"The BOT's measure to control loans is not sufficient. The Finance Ministry has to lend its helping hand by enforcing the tax measure, especially for luxury products," he said.

Wichit said a tax for luxury goods, especially cars, will not affect the country's overall economy and therefore should be higher than other taxes.

BOT's financial measures are to control loans, short-term capitals, private expenditures and credit card issuance.

Wichit said, BOT would launch strict measures to control the credit extended for a car purchase by hire-purchase firms.

"BOT will control the amount only. The interest will be fixed according to the marketing mechanism," he said.

The Revenue Department should consider restructuring of the present obsolete income tax.

"The restructure should be completed soon so that it will be proposed for the House's consideration in March next year," he added.

About the reduction of a specific business tax, Wichit said an adjustment of some certain important issues involved were already completed.

Wichit said he will soon discuss with the Finance Ministry on a merger tax.

"A merger tax has to be enforced so that it will be in the same international standard used by other countries," he said.

Wichit said that BOT will start to announce the measures to control the country's economic stability this week.

"The measures are aimed to curb credit extension and increase local savings. The central bank disclosed a credit growth of 21 percent in 1996 from 24 percent in 1995," he said.

Other measures BOT will launch include control of short-term foreign capital inflows, targeting capital inflows of 430 billion baht throughout next year.

Additional measures to reduce the borrowing of short-term money from foreign countries will also be enforced.

"The central bank will launch measures to prevent foreign money from flowing into the country to gain spread between local and foreign interest rates," Wichit said.

Furthermore, he said BOT will limit spending in the private sector by doubling the annual income of credit card holders from 120,000 baht to 240,000 baht.

Asked about the alleviation of the current account deficit which rose to 7.1 percent this year, he said that there are two committees which are responsible for solving this problem.

Also yesterday, Wirat Watthanasiritham, deputy secretary-general of the National Economic and Social Development Board (NESDB), said that NESDB and BOT will clarify the economic prospects and the measures to control the current account deficit to the Economic Cabinet Ministers meeting on January 9, 1996.

Army Told To 'Be Open' on Weapons Purchase

BK2312112595 Bangkok BANGKOK POST in English 23 Dec 95 p 3

[Unattributed Report]

[FBIS Transcribed Text] The Army must be open and honest about buying weapons to avoid bribery allegations like the much-publicised submarine purchase plan, Army Chief Pramon Phalasin said yesterday.

Gen Pramon told about 200 senior officers from different army units that buying weapons is not a secret and every one must be able to answer every question about procurements.

He said allegations Prime Minister Banhan Sinlapa-acha and certain Chat Thai Party figures took bribes from Swedish shipbuilder, Kockums, over the Royal Thai Navy's planned purchase of two submarines, were politically-motivated and had nothing to do with the military.

Such allegations, however, could still cause doubts about whether kickbacks were involved in weapon procurements by the Armed Forces, Gen Pramon said.

"We must show to the public we are innocent and do everything with transparency so no one can accuse us of anything," he said.

Gen Pramon said the Army should make the people understand the decision to buy weapons is based purely on the need to safeguard national security.

Army Secretary Phongthep Thetprathip, meanwhile, said the Army would emphasise developing human resources according to the Eighth National Economic and Social Development Plan in order to maximise the capacity of soldiers in using modern weapons.

Officer: Alleged PULO Link to Arson Premature

BK2312112795 Bangkok BANGKOK POST in English 23 Dec 95 p 2

[Unattributed Report]

[FBIS Transcribed Text] Claims that the Pattani United Liberation Organisation [PULO] was behind an arson attack on a school in Tambon Yupo in Yala's Muang District are premature, according to a top army officer.

Deputy Army Commander Gen Chettha Thanacharo said any person, not only PULO members, could carry out such an attack.

Ban Thung Riang School was torched early on Thursday, resulting in 300,000-baht damage.

After the attack two letters written in English, bearing the PULO emblem and addressed to the Thai Government were recovered near the torched building.

The letters demanded that the government free a number of people including four Islamic teachers who were arrested in Songkhla's Chana District last year.

The teachers were accused of several bomb attacks in the South and charged with sedition, stockpiling weapons, recruiting people for insurrection and illegal assembly.

A verdict on the case has yet to be made.

Yala police are examining the two letters found after the school blaze to find out if they were genuine.

Ban Thung Riang School was one of more than 30 southern schools which were torched simultaneously on August 1, 1993.

It was only slightly damaged then because villagers were able to put out the fire shortly after it started.

Gen Chettha played down the incident in Yala, saying the situation was under control.

Meanwhile, Yala Governor Chuchat Phunsiri yesterday said an 851,000-baht budget has been sought for the renovation of the building and purchase of teaching equipment.

And the Office of the National Primary Education Commission has ordered all schools in the province under its jurisdiction to step up security.

Banhan Faces New 'Political Troubles'

BK2512034895 Bangkok THE NATION in English 25 Dec 95 p A1

[Report by Pharit Iamphongphaibun]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's political troubles are likely to increase in the next few days, when the controversial inquiry into U.S. drug charges against senior Chat Thai politicians draws to a conclusion.

The Commission of Inquiry, scheduled to hold a crucial meeting today to finalize its findings, has found no hard evidence to back up the U.S. allegations, commission sources said.

If "cleared" by the panel, deputy Chat Thai leader Watthana Atsawahem and Chat Thai chief adviser Narong Wongwan are likely to renew their calls for powerful Cabinet posts, a situation that would highly complicate Banhan's unconfirmed plan to reshuffle his much-criticized Cabinet after the New Year.

Watthana has already re-asserted his claims to a major Cabinet post. Narong has kept a low profile, but he controls the powerful Thoet Thai faction which can easily turn into a political wild card if snubbed by the prime minister in a Cabinet reshuffle.

Commission of Inquiry spokesman Prasit Kowilaikun yesterday declined to predict if today's meeting would be the panel's last. However, he reiterated that the commission would not rule if the accused are guilty or not guilty, but would submit its findings matter-of-factly to the prime minister.

He admitted that no evidence against the two politicians had been received by the panel. Prasit also criticized government narcotics-related agencies for failing to respond to the commission's calls for documents.

"The Narcotics Control Board, Police Department, Foreign Affairs Ministry, and House of Representatives have not sent U.S. documents despite the fact that they are legally bound to do so," Prasit said. "Legally speaking, we can sue them for that."

If the agencies had no documents which could back up the U.S. charges, they were supposed to formally inform the panel, Prasit said.

Charan Phakdithanakun, secretary-general of the Judicial Affairs Division and a commission member, confirmed that the government agencies had not presented anything beneficial to the investigation.

"We expected this [lack of evidence] from the very beginning. And if they [the agencies] really can't give us anything, we will have no choice but to conclude our probe based on what we have," Charan said.

A commission source, who asked not to be named, said the panel had virtually acquired no concrete documents except testimonies of the accused who strongly denied the U.S. charges.

Acting commission chairman Thanat Khoman confirmed over the weekend that his panel would not make any ruling on Watthana and Narong. This would give the government, specifically Banhan, the tough task of evaluating the panel's findings and making a public announcement on the probe.

"When a subcommittee finishes its work, the Commission of Inquiry will endorse the investigative procedures before passing the final report to the government. We won't make a conclusion on whether the accused are innocent or not," Thanat said.

A source close to Banhan said the drug issue was now the prime minister's biggest headache. Banhan decided to sideline Vatana and Narong after the July election because he wanted to keep a promise that his Cabinet would not disappoint the people.

According to the source, Banhan held night-long private talks separately with Watthana and Narong at his house after the election.

But right from the start the drug inquiry has been seen by many as just an effort to "buy time," and the problem now is apparently boomeranging back on Banhan, observers said.

The timing for the drug probe's conclusion could not be worse. Banhan's repeated hints that he would reshuffle his Cabinet after the New Year to shore up its image have been largely taken as a public commitment.

Failure to come up with an acceptable Cabinet would not only create a public uproar, but also very likely prompt the Phalang Tham Party to pull out of the coalition.

Recently, Thanat announced his resignation as chairman of the Commission of Inquiry. But at Banhan's earnest request, he decided to continue playing the role of an "acting" chairman.

Ministry Urged To Take 'Offensive' Rights Role

BK2412114195 Bangkok THAILAND TIMES in English 24 Dec 95 p A1

[Report by Wiraphan Wutthibunya]

[FBIS Transcribed Text] Bangkok — The Foreign Ministry should take an offensive role protecting Thai people's human rights on foreign soil says Suthin Nopphaket, deputy chairman of the House committee on human rights.

The Phalang Tham executive said the Foreign Ministry represents Thailand, and Thai Embassies abroad should be more protective towards Thai people and should not keep them waiting for help.

That the ministry was unable to actively handle their responsibilities must be due to the country's frequent political changes resulting in delayed processing of work, Suthin said.

However, he said, the ministry's officials could not be blamed as normally their performance is better than that of people from other ministries.

Although the government has a budget for Thai Embassies to help Thai workers in foreign lands, no budget has been allocated for other cases such as those concerning the fisheries. The House Budget Scrutiny Committee has been trying to increase the budget to cope with the matter, the executive said.

Commenting on the role of Foreign Minister Kasemsamoson Kasemsi in controlling the ministry's steering wheel, Suthin said the minister is very knowledgeable and understands the ministry's work since he (Kasemsamoson) used to be its former permanent secretary.

Nevertheless, Suthin said, the ministry put too much importance on international relations.

Witthaya Kaeopharadai, the committee chairman, expressed the same opinion as Suthin. He said the ministry's main duty should be adjusted in accordance with the changing world. Moreover, he said, its duty to protect Thai people's human rights should not be ignored especially now that Thais are spread all over the world.

The chairman said good bilateral relations should be based on mutual respect and universal regulations.

"Some Thai people have been treated badly by other countries. It is the responsibility of the Foreign Ministry and the Thai Embassies to protect the Thai people," Witthaya said, referring to the November 6 fishing trawler incident.

Vietnam

Radio Comments on ASEAN Nuclear-Free Treaty

BK2312142395 Hanoi Voice of Vietnam in English 1000 GMT 19 Dec 95

[Station Commentary]

[FBIS Transcribed Text] The ASEAN ended its fifth summit in Bangkok, Thailand last weekend with its treaty banning the possession, manufacture, and acquisition of nuclear weapons in vast region covering ten countries with Myanmar [Burma] and Vietnam in the North, and Indonesia in the South. Here is our radio's comment.

At the recent fifth ASEAN summit, leaders of these countries also signed a number of important economic agreements in order to promote cooperation among members countries. The treaty of non- proliferation of nuclear weapons in Southeast Asia reached at this summit drew large world attention. This agreement was signed by leaders of 10 Southeast Asian countries only some days after the United Nations approved the ban on nuclear tests. It shows the correct way taken by Southeast Asian countries in maintaining regional peace, stability, and development. The prime minister of Thailand, the host country of the summit, held that the decision to turn Southeast Asia into a nuclear-free zone was made at the right time.

Over the last 50 years since the United States dropped atomic bombs on the two Japanese cities of Hiroshima and Nagasaki, humankind has only been frightened by nuclear disaster. Nowadays, the threat remains despite international effort to restrict this mass killing weapon. That is why the ASEAN treaty banning nuclear weapons will be an efficient factor for development and prosperity. It also serves as the basis for creating a peaceful and stable atmosphere for cooperation and development. It is the correct way of ASEAN countries to meet their economic development objective.

Philippine President Fidel Ramos said that the nuclear ban treaty was a ASEAN contribution to peace and development of Asia. The Vietnamese prime minister, Mr. Vo Van Kiet expressed the wish that the countries outside the region, especially the nuclear powers, will respect Southeast Asia aspirations and commitment to guarantee not to use or threaten to use nuclear weapons, and to fully and early implement comprehensive denuclearization.

Radio Reviews Relations With European Union

BK2312151595 Hanoi Voice of Vietnam in English 1000 GMT 21 Dec 95

[FBIS Transcribed Text] Nineteen ninety-five sees continued adjustment and expansion of relations of West European countries and the European Union [EU] with Asia Pacific region, especially Southeast Asia and Vietnam. Dozens of high level delegations from West Europe and the EU have exchanged visits to promote bilateral and multilateral relations. Worthy of note is the visit by Vietnamese President Le Duc Anh to France for celebration of the 50th anniversary of the victory over fascism in May 1995. It was followed by the visit by Prime Minister Vo Van Kiet and Vice Prime Ministers Phan Van Khai and Nguyen Khanh to Luxembourg, Sweden, Denmark, Finland, New Zealand [as heard], and Switzerland. Vietnam has in 1995 received the Austrian president, Dutch prime minister, German Chancellor Helmut Kohl, Luxembourg prince, and other high level delegations from Sweden, Denmark, and other West European countries, and vice president of the EU commission.

Those visits are important landmarks promoting bilateral and multilateral relations between Vietnam and those countries. Vietnam has, on those occasions, signed with West European countries many agreements and protocols on economic, trade, cultural, scientific and technological cooperation, and personnel training.

These countries have committed a $400 million aid to Vietnam, 50 percent of which are non-refundable aid. At the recent Paris donor conference, 12 countries and two financial and banking organizations of West European countries committed to grant Vietnam $560 million. These countries have 600 investment projects in Vietnam with a total investment capital of more than $3 billion, mainly in the areas of oil and gas exploitation and exploration, infrastructure construction, hotel, technology transfer, personnel training, and so forth.

Bilateral and multilateral relations between Vietnam and West European countries were further been developed following the signing of the framework agreement on economic and trade cooperation between Vietnam and the EU on 17 July this year. The framework agreement is not only a firm legal foundation but also provides guidelines and orientations for multifaceted cooperation. Two-way trade turnover in 1995 is 105 billion [figure as heard] of which Vietnam exported garments and textile products worth $300 million. The EU has granted Vietnam about $20 million aid to Vietnam through a technical assistance program in the transition period to market economy with projects on banking, auditing, forestry, insurance, and drug control.

Noteworthy is the EU assistance in implementation of the program on reintegration of repatriates worth $100 million. In recent years, the EU has given Vietnam $40 million in health, education, science and technology. In coming period, the EU will help Vietnam in preservation and development of natural forests in Nghe An Province which values at $25 million.

During his visit to Vietnam in September this year, Mr. Martin, vice president of the EU told a press conference in Hanoi that his visit was to discuss with high-level Vietnamese officials measures to implement the signing of framework agreement. He also said that there were many opportunities for strengthening bilateral relations between the EU and Vietnam in the economic, trade, quality control, and other fields, [word indistinct] agreement has been reached with Vietnam on the setting up of a Joint EU-Vietnam Commission for Economic and Trade Cooperation. Mr. Martin said he hoped the commission would be set up before the eighth congress of the Communist Party of Vietnam in 1996, and considering it an expression of determination of EU to support Vietnam in its renovation process.

Diplomatic Ties Established With St. Vincent

BK2312142895 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Dec 95

[FBIS Translated Text] Yesterday in New York, in the United States, Ambassador Ngo Quang Xuan, acting permanent representative of the Socialist Republic of Vietnam to the United Nations, and Mr. Herbert Young, the ambassador extraordinary and plenipotentiary and permanent representative to the United Nations of the St. Vincent and the Grenadines, signed a joint communique establishing diplomatic relations at the ambassadorial level between the SRV and St. Vincent and the Grenadines beginning on 18 December 1995.

Assembly Head Nong Duc Manh Ends Japan Visit

BK2312144495 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Dec 95

[FBIS Translated Text] On the afternoon of 17 December, the delegation from the National Assembly led by Chairman Nong Duc Manh, left Osaka, successfully concluding its official visit to Japan.

During his stay in Japan, Chairman Nong Duc Manh paid a courtesy visit to Japanese Emperor Akihito, held talks with Senate Speaker Saito, House Speaker Takako Doi, and Prime Minister Murayama. National Assembly Chairman Nong Duc Manh also had friendly meetings with friends in the Japan-Vietnam Friendship Parliamentarians Alliance, and had view-exchanging sessions with leaders of the Japanese economic organizations federation and a number of private companies.

On behalf of the National Assembly and our people, Chairman Nong Duc Manh thanked the Japanese parliament, government, and the people for their support in Vietnam's renovation undertaking and integration into the region and the world community. He affirmed Vietnam's wish to further develop comprehensive relations with Japan on the basis of strengthening mutual understanding, trust, and mutually beneficial cooperation.

Diplomatic Relations With Kenya Established

BK2212165195 Hanoi VNA in English 1446 GMT 22 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 22 — Vietnam and Kenya decided to establish diplomatic relations at ambassadorial level as of Dec. 21, 1995.

To this effect, an agreement was signed in New York on Dec.21 1995 by Ngo Quang Xuan, ambassador and acting permanent representative of Vietnam to the UN and Francis K. Muthaura ambassador and permanent representative of Kenya to the UN.

Malaysian Ruler Welcomed by Prime Minister

BK2512110595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Dec 95

[FBIS Translated Text] Yesterday afternoon [19 December], Prime Minister Vo Van Kiet paid a courtesy call on Malaysian King Tuanku Ja'afar at the Presidential Palace. On behalf of the government and people of Vietnam, Prime Minister Vo Van Kiet welcomed the king, queen, and other Malaysian guests on their Vietnam visit. The prime minister thanked the Malaysian Government and people for their cooperation and assistance to Vietnam in economic management and development in the renovation undertaking for the sake of national construction. Vietnam became an official ASEAN member with active assistance and support from Malaysia.

King Tuanku Ja'afar thanked Prime Minister Vo Van Kiet for the meeting and congratulated Vietnam on becoming an ASEAN member. The king and the other Malaysian guests expressed their interest in certain areas of Vietnam's current economic development such as infrastructure construction, especially the public transport systems from Hanoi to provinces in the north and from Ho Chi Minh City to provinces in the south, the upgrade of the north-south railway line, and the construction of a new railway. The Malaysian guests were also interested in opportunities for foreign businessmen to invest and form joint ventures with Vietnamese partners. They also studied the performance of some Malaysian companies operating in Vietnam.

Visits Monuments, Army Museum

BK2512112095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Dec 95

[FBIS Translated Text] This morning, Malaysian King Tuanku Ja'afar placed a floral wreath at the War Martyrs Monument at Bac Son Street. The king then placed a wreath and paid a visit to the mausoleum of President Ho Chi Minh. Also in this morning, the king and other Malaysian guests visited the Army Museum. Colonel Vu Luong Thanh, director of the Army Museum, and other staff heartily welcomed the king and introduced to him the heroic traditions of the Vietnam People's Army. The Malaysian king also had a friendly meeting with 20 Vietnamese and Malaysian businessmen. Mr. Doan Duy Thanh, president of the Vietnam Chamber of Commerce and Industry, was present at the meeting.

Malaysian Queen Tuanku Najihah visited Nguyen Viet Xuan School, a school for the children of war martyrs. She also visited the headquarters of the Vietnam Women's Union. She was welcomed by Mrs. Truong Thi Thanh, vice president of the union. The Malaysian queen expressed delight at the opportunity to visit the union and hoped that in the near future representatives of the Vietnam Women's Union will visit Malaysia.

Party General Secretary Do Muoi had a friendly meeting with the Malaysian king this afternoon.

Departs Hanoi for South

BK2512112395 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 21 Dec 95

[FBIS Translated Text] This morning, Malaysian King Tuanku Ja'afar, the queen, and other Malaysian guests left Hanoi for Hue and Ho Chi Minh City.

A farewell ceremony for the king and queen was held solemnly at the Presidential Palace. Present at the ceremony were President Le Duc Anh and his wife, Deputy Prime Minister Tran Duc Luong, Foreign Minister Nguyen Manh Cam, Presidential Office head Nguyen Viet Dung, and many other high-ranking state cadres.

King Tuanku Ja'afar, on behalf of the queen and other members of the delegation, expressed thanks for the warm and solemn reception given by President Le Duc Anh, the government, and people of Vietnam. The king said: This trip has left me with a very fine impression. I am very happy for the opportunity to visit your old imperial city of Hue today.

President Le Duc Anh pointed out: The visit by the king leaves fine sentiments in the hearts of the Vietnamese people; the trip strengthens and consolidates the friendship between the two countries. President Le Duc Anh expressed the wish that the king will have an interesting visit to Hue and Ho Chi Minh City and will further enrich his knowledge about Vietnam.

King Tuanku Ja'afar invited President Le Duc Anh and his wife to visit Malaysia, and the president joyfully accepted.

Ends Visit 23 Dec

BK2312161095 Hanoi VNA in English 1406 GMT 23 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 23 — His Majesty Yang di-Pertuan Agong [paramount leader] of Malaysia and the Queen and their entourage left Ho Chi Minh City this afternoon, successfully concluding their four-day official visit to Vietnam.

While in Ho Chi Minh City, a grand welcoming ceremony was held for the Malaysian royals by Mayor Truong Tan Sang and his wife. The mayor welcomed their Vietnam visit as a manifestation of the Malaysian people's friendly sentiments towards the Vietnamese people.

The King, for his part, highly valued the potentials of the city and expressed wishes for further enhancement and development of the cooperative relations between Malaysia and Vietnam in general and between Malaysia and Ho Chi Minh City in particular.

The Malaysian royals also met with the Malaysian community in the city and called at some entertainment centers and cultural establishments during their stay there.

Netherlands Cancels Nation's Outstanding Loans

BK2312103995 Hanoi VNA in English
0615 GMT 23 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 23 — The Netherlands Government has written off outstanding debts to a total value of USD 3 million, the Dutch Embassy said in a press release yesterday. These debts relate to soft loans granted by the Netherlands Government in the 1970's.

With the latest decision and previous debt cancellations, Vietnam now has no outstanding debts to the Netherlands prior to 1994.

This decision was taken to contribute to the improvement of Vietnam's external debt situation within the framework of the excellent bilateral relations between the two countries.

The Netherlands Government also donated USD 5 million as balance of payments support to the Vietnamese Government for 1995 and approved major projects in the field of environment protection in Vietnam.

This brings the total amount of Netherlands aid disbursements for 1995 to an expected USD 28 million well above the 1994 figure of USD 20 million.

Central Committee Group Visits PRC 15-22 Dec

BK2512152795 Hanoi VNA in English
1423 GMT 25 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 25 — A delegation of the Communist Party Central Committee's [CC] External Relations Commission led by Deputy Head Do Van Tai paid a working visit to China from Dec. 15-22 at the invitation of the Communist Party of China (CPC).

The delegation had talks with Mr. [as received] Li Shuzheng, alternate member of the CPC Central Committee in charge of the International Liaison Bureau and working sessions with other relevant senior officials, during which the two sides compared notes on bilateral cooperation as well as issues of common concern.

On Dec. 17, Mr. Wei Jianxing, Political Bureau member and secretary of the CPC CC, received the delegation. He hailed the visit of the Vietnamese guests which, he said, was a fine manifestation of the friendship and cooperation between the two parties and countries. He described the outcomes of the visits by the two countries' leaders, especially the Vietnam visit by CPC General Secretary and State President Jiang Zemin in November last year, and the China visit recently by CPV [Communist Party of Vietnam] General Secretary Do Muoi, as a catalyst to boosting bilateral relations in line of stability and sustainable and healthy development.

The Vietnamese communists also toured a number of economic and cultural establishments in Beijing, Shanghai, and Guangzhou.

Article Reviews Economic Relations With PRC

BK2412083595 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Nov-3 Dec 95 p 3

[Article by Cong Thanh]

[FBIS Transcribed Text] Vietnam and China are pushing for a healthier relationship as Do Muoi, general secretary of Vietnam's Communist Party, prepares to visit Beijing next month.

The December trip, planned in the wake of recent visits by high- ranking Chinese officials to Vietnam, has been hailed as an important step to accelerate Sino-Vietnamese cooperation, particularly in the economic, trade and investment arenas.

Since normalisation in 1991, the two neighbours have inked 15 agreements pledging cooperation in economic, investment, cultural and scientific matters. An accord on avoiding double-taxation has also been signed.

So far, 38 mainland Chinese companies have opened representative offices in Vietnam and bilateral, legal trade between the two nations will reportedly net US$900 million by the end of 1995, a 60 per cent jump from last year's total. (In 1994, Vietnam exported US$191.1 million to and imported US$341.7 million from China.)

By year's end, the Bank of China expects to open a branch in Ho Chi Minh City, according to its license granted by the State Bank of Vietnam back in July.

But progress made in the past four years has yet to reflect the countries' true potential.

Problems such as the unfavourable exchange structure (for Vietnam), low quality and volume of goods (for both countries), must be resolved before trade takes off. Vietnamese exports to China consist mainly of natural and raw materials such as rice, crude oil, coal and natural rubber. Other export items include cars and carchassis.

Vietnamese purchases include flour, iron, steel, cloth, cotton yarn, garments, building materials, medicines, medical instruments, beer, cigarettes, machines, black-and-white television sets and automobiles.

To promote economic relations, Vietnamese businesspeople must overcome their lack of understanding in the Chinese market, said Du Zhi Guo, the economic-trade attache of the Chinese Embassy in Hanoi.

Du accused local businesspeople of neglecting to properly survey the northern market, whereas their Chinese counterparts have already explored and penetrated the area.

"If Vietnamese businessmen concentrate their efforts on exploiting (toward the Chinese) market, certainly the value of exported Vietnamese goods will increase rapidly," Du said.

The participation of Vietnamese companies in the August Kunming Exports Fair, for example, was an excellent opportunity for Vietnamese traders to realise the immense potential of the Chinese market, he said.

But as in ancient times, the expansive land border dividing the two nations represents both a blessing and a curse: what serves as an easy open door for trade also poses as an uncontrollable conduit for smuggled goods.

At the first meeting of the Economic and Trade Cooperation Committee of Vietnam and China, participants discussed measures to jointly crack down on illicit border trade in order to stabilise legal trade operations between the two countries.

Another hot issue pressing officials in Beijing and Hanoi, concerns China's continued assistance in the form of Official Development Assistance (ODA) to Vietnam.

In the period from 1959 to 1978, 384 projects were built in Vietnam thanks to Chinese ODA packages. These projects included colossal ventures such as the Thai Nguyen Iron and Steel Plant, the Ha Bac Urea Fertiliser Plant, the Sao Vang Rubber Plant, the Ninh Binh Power Plant, the March 8 Textile Mill, the Viet Tri Chemicals Plant, the Van Dien Phosphate Fertiliser Plant and the Hai Duong Chinaware Plant.

As most equipment found within these decades-old ventures have been rendered inoperative or obsolete, Vietnam has been asking Beijing for funding from being scrapped. China agreed to grant over US$9.2 million worth of interest-free loans - which comprise shipments of new equipment - to Vietnam form 1993 to 1997. Repayment for these loans is scheduled for the period from 2003 to 2012.

Recently, China has agreed to lend Vietnam US$170 million, with an annual interest rate of 6.6 per cent over a period of 12 years, to build a steel plant with a capacity of 500,000 tonnes per year and a steel rolling plant with an annual capacity of 256,000 tonnes in Hai Phong.

As compensation for the interest rate, the Chinese Government will grant US$10 million in nonrefundable aid to Vietnam through the Bank of China.

According to Du, another Chinese loan of US$80 million, also with a 6.6 per cent annual interest rate, will be given for Vietnam to upgrade its Ha Bac Ureau Fertiliser Plant, boosting capacity to 350,000 tonnes per year. China claims only 37 licensed projects with a total investment capital of US$63 million, a sum well behind other countries in the region. The low figure, Du said, stems from the fact that China itself is a developing country which requires capital, domestic and foreign, to support its own economy.

Vietsovpetro Pumps 6.5 Million Tonnes of Crude

BK2512151795 Hanoi VNA in English
1218 GMT 25 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 25 — Vietsovpetro, a joint venture between Vietnam and Russia has reached its yearly target by pumping 6.5 million tonnes of crude oil this year, marking an increase of 200,000 tonnes over last year.

The venture has put 16 more oil wells into operation this year, pumping 17,500 tonnes per day.

About 6.42 million tonnes of crude oil has been exported, by Vietsovpetro which is scheduled to exploit another 200,000 tonnes by the end of the year, and provide 200 million cubic meters of gas for the Ba Ria Power Plant.

Mekong River Commission Committee Meeting Held

BK2512094495 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Nov-3 Dec 95 p 8

[Report by Catherine Taylor]

[FBIS Transcribed Text] Vietnam stands to win more funding for aid development projects in the Mekong delta 'follwing a meeting between the Mekong River commission's (MRC) Joint Committee, donor countries and aid bodies in Ho Chi Minh City last week.

The MRC meeting, attended for the first time by representatives from China and Myanmar [Burma], has been welcomed as a new phase of cooperation between the six Mekong nations.

Members of the MRC-Vietnam, Thailand, Laos and Cambodia - discussed plans for the cooperative development of the basin area and presented the 17 donors with a wish list" of 94 new and ongoing projects to fund infrastructure construction and environmental protection schemes across the Mekong river basin.

The show of cooperation between the six nations has encouraged donor bodies who said they were impressed with the strategy for the regions's development, encompassed in the 1996 Mekong Work Programme which was presented at the meeting.

About US$230 million is needed to fund the subregional project with almost US$74 million already pledged. Jordan Ryan, who represented the United Nations Development Programme at the MRC meeting said that although "no one had their cheque books out" the talks had succeeded in encouraging further financial support.

"I have no doubt the projects will be funded as a result of the meeting," he said.

All the MRC projects which range form hydroelectric dams, navigation schemes and agriculture are designed to assist sustained regional development and hence offer a flow-on benefit to Vietnam.

But several have been drafted to offer direct assistance to Vietnam. These include: a programme to manage acid sulphate soils in the delta; phase three of an action plan for the Sre Pok basin; a forestry project in the Long Xuyen quadrangle; crop diversification projects in Tam Phuong and Long Phu; stage four of forecasting operations for salinity intrusion in the delta and management of affected areas; phase two of the YaSoup project, and prefeasibility studies of the Se San 4 hydor-power project.

A new project - worth US$840,000 - to complete a study on environmentally sound water management in the Plain of Reeds, in the delta, where acid sulphate soils exist and annual flooding occurs during the we season has also been planned.

Hoang Trong Quang, whol led Vietnam's delegation at the conference, said Vietnam had identified several areas it considered a priority for development including flood control planning for the Mekong delta, flood forecasting and damage reduction in the basin, water balance of the lower Mekong basin and MRC rules for water utilization and interbasin diversion.

The importance of water usage and diversion are especially urgent while China and Myanmar decline to join the MRC, but is open to all six nations through which the Mekong river flows. Vietnam is keen for the two nations to join.

At present China has no obligation to inform Vietnam, or any other member nation, of its plans for dam projects in the upper reaches of the Mekong, despite the effect this may have on countries else where in the basin.

Shi Jicheng who represented China at the delegation, said membership in the MRC is till a "dream".

He added: "We are ready for this cooperation [but] it will take some time. Before we join we have to see how well members of the MRC work together, how well they resolve issues about water utilization and things like that. You have to give us sometime to make an in depth study ... of the rights but also of the obligations of members."

Nyunt Maung Shein, form Myanmar, echoed Jicheng's concern: "We have to strike a balance."

Myanmar's interest in the MRC is limited because only two percent of the basin's watershed lies inside the country's boundaries, while China has 16 percent, Laos 35 percent, Thailand and Cambodia each the 18 percent and Vietnam 11 percent.

Meanwhile, despite an urgent need for infrastructure development in the Mekong basin, environmental considerations surfaced as a priority for the donor community. Many of the projects presented for funding are designed to help protect the basin's vulnerable wetlands.

Bradley Babson form the World Bank said environmental issues had been a "strong theme" of the talks.

"The issue was how to create economic advantages for the 53 million people living in the basin in a way that is environmentally sustainable", he said.

The MRC's largest donor, Denmark - which has seven projects worth more than US$27 million in progress and plans to fund a further four - has focused its development aid on programs which offer environmental benefits, especially to the area's fishing industry.

Denmark is also funding projects that research the impact of infrastructure development in the basin.

As well as UNDP and World Bank presence at the meeting, which ran form Monday to Wednesday, the Asian Development Bank and Agriculture Organization of the United Nations were also represented. Other major donors include Sweden, the Netherlands, Finland Britain and Australia.

The Mekong River Commission was formed in April to shape the development and management of the Mekong

River sources and study how development affects the basin's 53 million residents.

The MRC Joint Committee will meet again in Vietnam next March.

Do Muoi on State Economic Sector Development

BK2312081395 Hanoi VNA in English 1310 GMT 22 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec. 22 — Party General Secretary Do Muoi urged state-owned businesses to enhance their management and strongly develop the country's state economic sector with a socialist orientation in order to ensure its key and decisive role in national construction and development.

The Vietnamese Party leader was speaking at the closing session of a training course on the parks policies, and viewpoints. The course, which was held at the Ho Chi Minh National Institute of Political Science from Dec. 12-21, was attended by 400 party organisation secretaries, general directors and deputy general directors of the state-owned businesses and enterprises.

After giving more explanation to controversial questions, Do Muoi said that opportunities and challenges created by the new world situation require higher qualifications and competence from party organisations at all levels. He urged the party organisations in the state-owned sector to double their efforts to uphold their leading role by renovating and reorganising themselves to carryout production and business plans, effectively thus ensuring social equity.

General Secretary Do Muoi also spoke of the country's renovation process and its significance, and the economic sectors' role in the transitional period to socialism. He asked these managerial officials to apply Marxism-Leninism and Ho Chi Minh thoughts creatively to produce concrete solutions and to avoid dogmatism

Article on Economic Development Projects

BK2512134195 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 16 Dec 95

[FBIS Translated Text] In 1995, a total of 5.7 million people have participated in new economic development projects countrywide. They have reclaimed 1.7 million hectares of wasteland for production purposes. New economic development projects have improved the socioeconomic situation in the mountain regions and promoted a civilized lifestyle and modern farming methods among mountain dwellers especially those living in deep or remote areas. Generally speaking, however, much remains to be done when it comes to accelerating migration and new economic development programs. Budget allocations are inadequate, for example, and uncontrolled migration still prevails.

Rice Prices 'To Soar' as Shortage Continues

BK2412081695 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Nov - 3 Dec 95 p 4

[Article by Tran Kim Giang]

[FBIS Transcribed Text] The price of rice is expected to soar in the coming months, as a worldwide shortage increases demand for Vietnam's harvest.

The failure of rice crops in many countries has increased demand this year, according to the United Nations Food & Agriculture Organisation (FAO). The organisation estimates that domestic rice reserves are sufficient to meet only 11.8 per cent of the each country's needs, on average, between now and July 1996 — 13.3 per cent less than for the same period last year.

Fortunately, the quantity of commercial rice for sale on international markets is increasing.

Fourteen million tonnes of rice were on sale in the world's markets in 1994, a number that is expected to reach at least 16 million tonnes in 1995.

Vietnam is a major world rice exporter, accounting for more than 14 per cent of the rice in circulation on world markets. However, flooding in the northern provinces and the Mekong delta has reduced the country's output this year.

The price hike is already taking hold. Between August and September, prices recorded an average 2.8 per cent jump across the country.

Figures for the mid-term show rice leapt from US$240 per tonne at the beginning of the year to US$335-340 per tonne by the end of September.

Ho Chi Minh City recorded a price hike of 5.09 per cent; Soc Trang, 5.01 per cent; Ba Ria-Vung Tau, 8.11 per cent; Long An, 9.4 per cent; Dong Thap, 11.5 per cent; Kieng Giang, 12.9 per cent; and Minh Hai, 20 per cent. In An Giang province, rice exports increased by 140.4 per cent in August in comparison with July.

In the past nine months, the province has exported 320,248 tonnes, with predictions that exports will reach 380,000 tonnes by year's end - a 52.6 per cent increase over 1994.

Tien Giang province has exported 75,166 tonnes in the last nine months, a 10 per cent increase over the corresponding period last year.

By the end of August, Vietnam as a whole had exported 1.845 million tonnes of rice, 92.3 per cent of the country's 1995 export target.

Do Muoi on Hanoi Party Committee Conference

BK2512130895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Dec 95

[FBIS Translated Text] The Hanoi city party committee convened a conference yesterday to review the initial results of one year of renovating and revamping the party organizations of the bloc of universities and colleges in Hanoi. Comrade General Secretary Do Muoi participated and cordially addressed the conference.

The comrade general secretary warmly commended the Hanoi city party committee, party affairs committee, the party organizations of the bloc of universities and colleges in Hanoi, and all professors and students for their great party-building job and positive contributions to the cause of national education and training over past years. According to the comrade general secretary, compared with other sectors, the trade union, youth union, and student association party organizations have a very important and heavy political task because they are responsible for training a contingent of cadres and workers with great skill and talent. They are a virtue for the party and state to implement the cause of national industrialization and modernization. He also reminded the education and training sector of the need to develop uniform plans to train a sufficient number of personnel to take charge of university and college education and vocational training. Schools must pay due attention to the quality of teaching and training activities, regarding quality as a question of vital importance. Special efforts must be made to provide moral education to students. Measures must be taken to [words indistinct] and rely on the people as instructed by Uncle Ho. It is necessary to contribute positive solutions to help the party and state accelerate the cause of national education and training.

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